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**CITY OF SACRAMENTO**

**HOUSING ELEMENT**

**OF THE GENERAL PLAN**

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**Housing Element Update**  
**7/89 - 6/2000**

**Prepared By:**

**City of Sacramento Planning and Development Department**

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# 1. INTRODUCTION

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## 1.1 PURPOSE AND INTENT

This is the City of Sacramento Housing Element of the General Plan. The Housing Element sets forth the City's policies and strategies for meeting the housing needs of all types of households in our City. The City of Sacramento views housing policy as an important and pivotal cornerstone of the City's effort to support, maintain and where necessary revitalize our neighborhoods. In each of our neighborhoods, the range, style and mix of housing types contributes to the balance and stability of neighborhoods. The strategies included in this document are designed to reinforce balanced neighborhoods and provide choice in housing.

Since the Element is concerned with all household types, it includes policies for housing supply, housing quality, housing affordability, step-up housing, infill housing, senior housing and housing for persons with special needs such as persons with disabilities, or persons in crisis. In addition to the overall City goal of reinforcing neighborhoods, the City has also established economic development as a goal. Good housing policies and programs are key in supporting both the goals for economic development and neighborhood improvement. Indeed Sacramento's past performance in maintaining an adequate supply of affordable housing and strong neighborhoods has contributed to the City's competitive edge in recruiting new businesses to our area.

The Housing Element is also a State mandated requirement. State housing element law (Government Code Sections 65580-65589.8) requires each local government to review and update the housing element of its General Plan every five years. Pursuant to law, the City of Sacramento is required to analyze its housing needs and develop a detailed plan to provide adequate housing opportunities to all households. These efforts will help meet regional housing needs and contribute toward attainment of the state goal of safe and adequate housing for all Californians.

The housing element update process covers the six following steps:

- Review and evaluation of previous element
- Assessment of housing needs
- Inventory of land resources
- Analysis of governmental constraints on housing development
- Statement of quantified housing objectives, and
- Identification of programs for implementation.

Besides these requirements, recent changes in State law require local governments to include the following supplemental information in the element update:



- Analysis and identification of programs to address potential conversion of assisted, multi-family rental housing developments ("opt-outs") to non-low income housing.
- Description of use of monies in a redevelopment agency's Low and Moderate Income Housing Fund.
- Analysis of special housing needs and identification of programs to address homelessness.
- Annual report to the legislative body on the status of the implementation program and progress in meeting the City's regional housing needs.

## **1.2 FORMAT OF HOUSING ELEMENT**

The element is divided primarily into three sections. The first is an analysis of past performance, existing and projected housing needs and current housing production (Chapters 2,3 & 4). Second is an analysis of the land inventory and potential constraints (Chapters 5 &6). Third is a description of goals and policies to provide housing in response to those needs, and an implementation program which completes the primary sections (Chapters 10 & 11). Chapters 7, 8 & 9 cover the supplemental state requirements addressing energy conservation, preservation of assisted units and low and moderate income units.

## **1.3 RELATIONSHIP TO OTHER GENERAL PLAN ELEMENTS**

The Housing Element is part of the City's General Plan and is consistent with the other General Plan elements. Land use and housing objectives in the Housing Element are supportive of existing goals and objectives in the Residential Land Use and Circulation Elements. Moreover, the Housing Element supports Sacramento's overall urban growth policy statements found in the introduction to the City's General Plan.

## **1.4 RELATIONSHIP TO OTHER HOUSING PLANS AND PROGRAMS**

Internal consistency is maintained with existing community plans, the Zoning Ordinance and various housing plans and programs. In addition, the Housing Element is internally consistent with the City of Sacramento's Comprehensive Housing Affordability Strategy (CHAS), a planning document prepared by the Sacramento Housing and Redevelopment Agency that addresses long and short term assisted housing needs and the Consolidated Plan, an application describing the local strategy for use of Federal housing and community development funds..

## **1.5 CITIZEN PARTICIPATION**

Several focus group meetings were held early in the update process to receive public input from interested groups and organizations. A heterogeneous group consisting of environmental groups, neighborhood representatives, affordable housing advocates, non-profit developers, for-profit developers, realtors and service providers commented on the initial needs analysis and the identification and remedy of barriers to affordable housing. Members of the public were invited to attend a workshop with the Planning Commission held early in the update process. Staff developed the goals and policies based on this input.

Based on these comments and written comments from the California Department of Housing and Community Development, revisions were made to the public review draft. The review process includes a 60 day review and comment period prior to noticed public hearings before the City Planning Commission and Commission City Council. Approximately 100 individuals and organizations representing all economic segments of the community received the distribution notice and summary.

## **1.6 TIME FRAME July 1, 1989 - June 30,2000**

The Housing Element Update covers the planning period from July 1989 thru June 2000. This update covers the previous five year update period (through 1996) and the second update period (through 2000) to bring the City in compliance with current state housing element law.









## 2. ANALYSIS OF PAST PERFORMANCE

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### 2.1 PURPOSE

As a first step, this Chapter provides an assessment of the previous element to determine the effectiveness of its policies and programs in addressing adopted housing goals and objectives. Through this process, the City of Sacramento compared its 1985 objectives with actual housing performance: housing units constructed and preserved, and households assisted. Evaluation of the previous update's housing policies and programs identified successful as well as ineffective programs, thereby providing the City with understanding of changes necessary to improve the effectiveness of existing programs.

The 1985 housing objectives included both quantitative (numeric housing goals) as well as qualitative goals (program and results goals and objectives). An assessment of progress in meeting these goals follows.

### 2.2 PREVIOUS QUANTITATIVE HOUSING GOALS

The previous planning period extended from 1985 to 1989/90. For planning purposes, 1983 was used as a base year for making housing projections and setting future goals. Numeric goals were established by the Sacramento Area Council of Governments (SACOG) based on a "fair share" plan known as the Regional Housing Allocation Plan (RHAP). According to the RHAP for the previous planning period, the following goals by income level were set for the City of Sacramento:

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Table 2-1			
1983 THROUGH 1989 RHAP GOALS FOR THE CITY OF SACRAMENTO			
(RHAP used 1983 as a base year)			
Income	1989 Total Housing Units	Percent of Total	1983 - 1989 Goal
Very Low Income	48,696	33%	4,684
Low Income	27,640	19%	4,916
Moderate Income	29,645	20%	6,443
Above Moderate	39,868	27%	10,207
TOTAL	145,849	100%	26,250

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Source: Sacramento Area Council of Governments, 1984.



The total number of new housing units constructed in the City of Sacramento during the planning period is shown in Table 2-2.

Table 2-2	
TOTAL NEW CONSTRUCTION -- 1983-1989	
1983	1,712
1984	2,197
1985	3,575
1986	4,996
1987	4,175
1988	2,375
1989	2,273
<b>TOTAL</b>	<b>21,303</b>

*Source: 1988 City of Sacramento General Plan EIR, based on SACOG data and SACOG Housing Module 1991-1992.*

## 2.3 COMPARISON OF ACCOMPLISHMENTS WITH NUMERIC HOUSING GOALS

During the past planning period (1985 to 1989), substantial progress was made with respect to innovative and pathfinding policies and programs. For example, the City and County of Sacramento established a Housing Trust fund development fee, one of the first in the State. The City and Redevelopment Agency also won awards for innovative affordable housing projects such as the Sequoia Residential Hotel, Riverview Plaza Senior Housing (a competitive HODAG grant project) and new types of affordable housing cooperatives such as the Mutual Housing which serves low and very low income persons. Despite these aggressive efforts supported by State and federal initiatives, the City fell short in meeting numeric goals in some areas.

With respect to total housing production, 21,000 units were built in the City of Sacramento during the period of 1983 to 1989. This falls short of the goal of 26,250 units set for the period beginning in 1983. To accomplish this goal over the eight year period, an average annual housing production of 3,281 units would have needed to occur.

Records regarding affordability of housing are somewhat incomplete. Units which received direct federal, State or local subsidy can be tracked. Table 2-3 shows subsidized units sponsored through the Sacramento Housing and Redevelopment Agency (SHRA) or the Capitol Area Development Agency (CADA).

**Table 2-3**  
**Publicly Assisted Units Produced 1985 to 1989**

	1985				1986				1987				1988				1989				TOTAL			
	VLI	LI	Mod	OR	VLI	LI	Mod	OR	VLI	LI	Mod	OR	VLI	LI	Mod	OR	VLI	LI	Mod	OR	VLI	LI	Mod	OR
Public Housing					47																47	0	0	0
Farmworker Housing					12																12	0	0	0
Section 202	15																				15	0	0	0
Woodhaven Senior Project																	104				104	0	0	0
Self-Help																	8				8	0	0	0
Cape Cod									10			50		8		40					10	8	0	90
CADA				17		1	3														0	1	3	17
Multi-family MRB	318	391								162	378			227	526			129	28		318	909	932	0
Single Family MRB																					0	0	0	0
Other																					0	0	0	0
<b>TOTAL</b>	<b>333</b>	<b>391</b>	<b>0</b>	<b>17</b>	<b>59</b>	<b>1</b>	<b>3</b>	<b>0</b>	<b>10</b>	<b>162</b>	<b>378</b>	<b>50</b>	<b>0</b>	<b>235</b>	<b>526</b>	<b>40</b>	<b>112</b>	<b>129</b>	<b>28</b>	<b>0</b>	<b>514</b>	<b>918</b>	<b>935</b>	<b>107</b>

NOTES:

VLI = Very Low Income 50% of median and below

LI = Low Income 50 to 80% of median

MOD = Moderate Income 80 to 120% of median

OR = Other Restricted which refers to units with rent regulatory agreements regardless of income

Affordability of privately financed units is more difficult to assess. For example, during the period from 1985 to 1989/90, nearly 40% of the new units (approximately 8,000 units) were multi-family units (5 units or more), many of which were privately developed without subsidy. Based on market rent levels in the City, it is reasonable to assume that the majority of these units were affordable for low and moderate income although no records are available to substantiate this on a project by project basis. Nonetheless, this level of multi-family production represents significant progress in adding affordable housing supply and housing choice. A conservative assessment of housing accomplishments by affordability is shown in Table 2-4.

**Table 2-4**  
**1985 THROUGH 1989 RHAP GOALS FOR THE CITY OF SACRAMENTO**

<b>INCOME</b>	<b>1989 RHAP GOAL</b>	<b>VERIFIED ASSISTED UNITS</b>	<b>ESTIMATED MARKET RATE UNITS*</b>	<b>TOTAL</b>
Very Low Income	4,684	514	-0-	514
Low Income	4,916	918	2,400	3,318
Moderate Income	6,443	935	4,000	4,935
Above Moderate	10,207	-0-	12,536	12,536
<b>TOTAL</b>	<b>26,250</b>	<b>2,367</b>	<b>18,936</b>	<b>21,303</b>

\* **NOTE:** Of the 8,000 new multi-family units brought on line between 1985 and 1989/90, it is estimated that 30% were affordable to low income households and another 50% were affordable to moderate income householders. This assumption is made due the fact that market rents in Sacramento are at or near the affordability guidelines for low and moderate income households. Despite these positive market conditions, market rents for both existing and new housing tend to exceed affordability guidelines for very low income households unless public subsidy is available. Therefore, only verified publicly assisted units are attributed towards performance for the very low income level. Not included in this, are Section 8 certificate or voucher holders who may be housed in new units through these rent subsidy programs. The balance of new housing production is assumed to benefit above moderate income householders.

Overall, the City fell short in meeting the total production goal of 26,250 units. The City did, however, achieve 80% of this goal by constructing 21,303 units during the period. By reviewing Table 2-3 it can be seen that the City of Sacramento made reasonable progress towards housing goals with the exception of the very low income housing production goals.



In this area, the City fell short of the goal despite the fact that 514 publicly assisted units were constructed during this period.

Interviews with both public and private sponsors of housing indicate varying reasons for not attaining goals overall and in the very low income category in particular. Private and public sponsors note that in the early to mid-1980's lending policies were highly favorable towards multi-family production including the benefits of the Multi-family Mortgage Revenue Bond program. During this period, the Sacramento Housing and Redevelopment Agency worked consistently with private developers in issuing bonds to support new multi-family housing through-out the City and County. In the City, the availability of substantial amounts of vacant multi-family zoned land in the South Natomas and South Sacramento areas assisted in achieving a high volume of production. Sponsors also note that changes to tax exempt financing regulations in the late 1980's, coupled with a change in market conditions, slowed this trend in multi-family production considerably. Similarly, from a public sponsor prospective, changing state and federal policy affected production levels. Most dramatic were the cutbacks in federal public housing production assistance which occurred during the 1980's -- a situation which continues today.

## **2.4 PREVIOUS HOUSING QUALITATIVE GOALS**

Preservation, maintenance and construction of new housing affordable to all economic segments were the primary goals set forth in the previous element update. Specifically, those goals were the following:

- Maintenance and improvement of the existing housing stock
- Examination of the possibilities and implications of increasing the ratio of housing to jobs
- Meeting new housing needs for all income groups
- Provision of affordable housing for all income groups
- Provision of safe and attractive quality housing
- Provision of a mixture of housing types and styles throughout the city
- Prevention of housing discrimination and provision of accessibility and housing opportunities for special needs groups
- Assurance that regional housing needs are met in a timely, efficient and equitable manner
- Creation of new programs emphasizing the utilization of local resources to meet Sacramento's changing housing provision needs.

Various policies and programs met specific objectives within each goal. Time frames and numerical objectives accompanied certain goals and policies. Other policies were broad statements whose objectives were qualitative rather than quantitative.

## **2.5 COMPARISON OF OBJECTIVES WITH ACCOMPLISHMENTS**

In the 1985 Housing Element Update, the City set quantified objectives for accomplishment over the 1985-1991 five-year period. Those objectives concerned the preservation of existing housing, including residential hotel and single room occupancy (SROs) rooms, and new housing construction.

The City met the objectives set for rehabilitation of existing housing stock (non-SRO units) and construction of new senior housing. Those units, however, were insufficient to meet the new housing needs of lower income residents. Furthermore, the City was unable to meet its objectives for the preservation of residential hotel units, often the last resort housing for very low income residents.

The following information is a partial summary of actual housing accomplishments since 1985. It is based on information provided by the Sacramento Housing and Redevelopment Agency (SHRA), Human Rights and Fair Housing Commission, and the Department of Planning and Development. The summary includes the projected time frame for achieving the objective, the local agency responsible for meeting those objectives and accomplishments.

### **■ GOAL: MAINTENANCE & IMPROVEMENT OF THE EXISTING HOUSING STOCK**

#### **Objective 1: Rehabilitation of 100 housing units**

Time frame: 1991

Lead Agency: SHRA

Accomplishments:

- Funding of Neighborhood Housing Services, a non-profit organization program, since 1986 for the revitalization and residential preservation of the Gardenland/Norlto, Oak Park and Fruitridge/Pocket neighborhoods.
- Rehabilitation of 682 single family homes since 1984.
- Authorization of 1613 emergency homes repairs for low income homeowners since 1984.
- Renovation of 674 private rental units under the Rental Rehabilitation Program.

Comments: The 1985 objective was clearly met and exceeded due in part to favorable public financing during this past planning period. None-the-less, substantial effort is still required. For example, the 1988-1991 Housing Assistance Plan, SHRA inventoried 11,718

substandard housing units (approximately 8.5% of the City's housing stock).

**Objective 2: Retention and preservation of 1028 residential hotel rooms, and replacement of 40 SRO rooms that were either demolished or converted in the past].**

Time frame: 1991

Lead Agency: SHRA

Accomplishments:

- 1986: Rehabilitation of Sequoia Hotel (88 rooms) and YWCA (32 rooms). 1988: Ridgeway Hotel (53 rooms) and Midtown Motel (20 rooms). Total: 193 SRO rooms preserved.
- Appropriation by City Council of \$7 million of 1990 tax allocation bond proceeds toward preservation and new construction of SRO housing supply.

Comments: Although substantial effort was pursued for this objective, a loss of 129 rooms occurred during the planning period. These included: the demolition of the Californian Hotel (112 rooms) as part of the Library Plaza project and the conversion of Ricci's (17 rooms) to luxury apartments. Overall, 193 units were rehabilitated resulting in more units rehabilitated than lost.

- **GOAL: PROVISION OF MIXTURE OF HOUSING TYPES AND STYLES TO ENCOURAGE ACCESSIBILITY AND CHOICE FOR ALL INCOME AND NEED GROUPS.**

**Objective 1: Construction of a minimum 20,000 housing units, with a minimum of 10,000 units affordable to low income households.**

Time frame: 1991

Lead Agency: SHRA and the City

Accomplishments:

- 21,303 new housing units (106% of stated housing objective) were constructed between January 1983 and December 1989
- 2,329 new lower income housing units (approximately 24% of the 10,000 lower income unit objective) were built between January 1985 and September 1990.

Comments: The City surpassed the 20,000 new housing unit local objective, but fell short of the regional objective of 26,250 units. Federal and State funding cutbacks resulted in lower than anticipated housing production for low and very low income households. Also, new local financing initiatives (such as the City's Housing Trust Fund) had not been fully implemented due to litigation and voluntary programs (such as density bonus programs)



had not been utilized by the building industry.

- **GOAL: PREVENTION OF HOUSING DISCRIMINATION, AND PROVISION OF ACCESSIBILITY AND HOUSING OPPORTUNITIES FOR SPECIAL NEEDS GROUPS, SUCH AS THE ELDERLY, DISABLED, LARGE FAMILIES, FEMALE HEADED HOUSEHOLDS, LOW INCOME SINGLE PERSONS, AND PERSONS AND FAMILIES IN NEED OF EMERGENCY SHELTER.**

**Objective 1: Construction of 300 new senior housing units in the northeast Downtown neighborhood and an additional 200 senior housing units throughout the city. Total: 500 new housing units for senior citizens.**

Time frame: 1991

Lead Agency: SHRA

Accomplishments:

- Construction of Riverview Plaza, 124 units, 100% low income, in the downtown area.
- Construction of Woodhaven Senior housing in North Sacramento, 104 units, 100% very low income.
- Total: 228 new housing units affordable to low income seniors were built, achieving 46% of the 1985 five-year objective. However, privately developed senior housing projects exceeded the overall goal. In 1989, 4,006 senior housing units existed in the entire city.

Comments: The City exceeded the senior housing goal. As a general note, the objective was too specific in terms of the geographic area. Given its overall accessibility to services and public transit, the Downtown area in general would be a more appropriate target area. It is also important to note that during the late 1980's aggressive production of senior units lead to a temporary over-supply of senior housing in the local area, making lease up difficult.

**Objective 2: Provision of one emergency shelter for families and four emergency shelters for single people, in conjunction with County.**

Time frame: 1991

Lead Agency: City/County/SHRA

Accomplishments:

- Single-person shelters: Six single-person shelters are located in the City for a total of 336 beds. One single-person shelter located in the County has 24 beds.
- Family shelters: Three family shelters (119 beds total) are available to City and County residents.



- Other emergency shelters serving clients with special needs: Sixty beds exist at a shelter for people under the influence of alcohol. Seventeen beds are at a shelter for the mentally ill.
- The twelve emergency shelters listed above house a total of 556 homeless individuals and families in the City and County.
- Winter overflow: Approximately 400 additional beds are available at emergency shelters in the City and County of Sacramento during the winter. In addition, 1550 motel vouchers for families with children are provided during months of inclement weather.
- Transitional housing: Four transitional housing programs with scattered sites throughout the City and County can accommodate 172 homeless persons.

Comments: The City, in conjunction with the County, clearly surpassed its earlier objective to provide emergency shelters. Sacramento County is in the process of implementing an even more comprehensive emergency shelter program that will coordinate the provision of food, health care, counseling and job training services. The Sacramento Consolidated Plan for Federal Housing and Community Development funds notes for example that, while emergency and transitional shelter programs have been produced, the area is now in need of funding for these supportive services.

## 2.6 SUMMARY OF PROGRESS

Overall, the City of Sacramento has served as a leader in the development and provision of a variety of housing initiatives. While the City fell short of the numeric goals, this can not be attributed to a lack of effort. Rather, the City has attempted to respond whenever feasible to impediments to housing production. For example, when State and Federal resources for affordable housing were substantially reduced in the 1980's the City aggressively pursued development of the local Housing Trust fund. Similarly, the City, SHRA and local non-profit sponsors have aggressively pursued other housing initiatives including infill housing, mortgage revenue bonds, mortgage credit certificates, co-housing and mutual housing, self-help housing, emergency shelter funding and many others.

Still, many challenges face the City in the 1990's in their efforts to provide adequate choice of housing for all persons in the City. First, is the current housing recession which has resulted in a general slow down in the production of new housing of all types. Secondly, the City is a developed major metropolitan area. Very large vacant parcels (20 acres or more) of land with services with the exception of North Natomas, have in general, already been developed. As such, the City must pursue new means of housing within a developed urban context. Strengthening the City's infill housing ordinance, pursuing new opportunities for mixed use, redevelopment and re-use of older developed areas, and consideration of an inclusionary housing ordinance are included in the proposed policies.

More importantly, in a local and regional context, the housing policies must also support balanced and sustainable neighborhoods. The City does have a large supply of housing. However, many neighborhoods have aging housing and face decline. Rehabilitation of existing units, and providing economic diversity within neighborhoods is a priority local objective. For Sacramento, economic diversity means not only including a fair share distribution of affordable housing through-out the City, but also planning for and encouraging "step-up" housing and revitalization programs for some of our more depressed or fragile neighborhoods. Finally, a challenge of the 1990's is to foster community dialog, understanding and consensus regarding affordable housing. Residents and public officials alike are now searching for new approaches to both the housing products and processes so that new housing is affordable, well designed, economically balanced and supportive of the neighborhood.

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### 3. HOUSING NEEDS ASSESSMENT

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#### 3.0 PURPOSE

Changes in the composition of Sacramento's population, along with the area economy, affect local housing needs. This section provides information on those changes and describes population trends and existing and future housing needs.

#### 3.1 POPULATION AND HOUSEHOLD CHARACTERISTICS

##### Population and Household Growth Rates

According to the 1990 U. S. Census, Sacramento's population was 369,365. As shown in Table 3-1, between 1970 and 1992 the City experienced a 49% change in population. The County has seen a more dramatic percentage change of 73.3%. The City's share of the county population has also decreased since 1970. Sacramento's share of the state population has remained relatively constant (at 1.2-1.3% of the total), while the County's share has increase slightly over time. Since the 1990 Census to January 1992, the City's population is estimated to have grown to 385,100, while the County's population has grown to 1,099,100. (Source: SACOG Population Module).

**Table 3-1**  
**POPULATION CHANGE 1970-1990**

YEAR	CITY OF SACRAMENTO	SACRAMENTO COUNTY	CALIFORNIA
1970	257,105	634,373	20,038,164
1980	275,741	783,381	23,775,360
1990	369,365	1,041,218	29,760,021
1992	385,100	1,099,100	Not available
Percent Change 1970 to 1992	49.8%	73.3%	Not available

Source: SACOG, Department of Finance Data Center.

As shown in Table 3-2, the number of households in Sacramento increased from 91,697 in 1970 to 144,661 in 1990 or a 61.4% percentage change. Given that the City's population increased 49.8% in the same period, this indicates an accelerated household formation rate relative to population. The County experienced a similar increase in

household formation rate. Since 1970, both jurisdictions, have seen an increase in new, smaller households as a result of demographic changes such as the "baby boom" generation forming households and an increasing single parent households.

**Table 3-2**  
**HOUSEHOLD CHANGE 1970-1990**

YEAR	NUMBER OF HOUSEHOLDS	
	CITY OF SACRAMENTO	SACRAMENTO COUNTY
1970	91,697	202,953
1980	112,859	299,805
1990	144,661	394,530
1992	147,987	411,848
Percent Change Since 1970	61.4%	102.9%

Source: State Department of Finance Census Data Center.

### **Group Quarters Population**

The City's group quarters population, composed of individuals residing in school dormitories, correctional institutions, rooming houses, and convalescent homes, increased by 1,948 or 31.5% from 1980 to 1990. Although relatively small in number, this population is significant. The group quarters' population represents residents with special needs, both for housing and support services.

According to the Department of Finance, this figure has further increased from 1990 to January 1992 to 8528 individuals. The County's group quarter population has increased from 14,707 to 22,144 in 1980-1990, and to 23154 in 1992.

### **Population by Community Plan Areas**

Tables 3-3 and 3-4 provide breakdowns of the City's population and housing data by Community Plan Areas. These areas are shown on Map 3-1.

South Natomas, the Pocket, South Sacramento and North Sacramento had the highest population growth rate from 1980 to 1990. As might be expected, dwelling unit growth correlated very closely with population growth. These same areas also led in population growth and ranked among the highest in vacant land planned for residential use in the last update.

**Table 3-3**  
**POPULATION BY COMMUNITY PLAN AREA - 1980-1992 PERIOD**

<b>Community Plan Area</b>	<b>1980</b>	<b>1990</b>	<b>1992</b>
Airport/Meadowview	30,486	32,684	33,552
Arden/Arcade	10,248	10,680	11,091
Central City	28,956	33,090	33,767
East Broadway	37,845	45,476	47,199
East Sacramento	34,644	33,111	33,862
Land Park	33,839	33,128	33,955
North Natomas	643	594	555
North Sacramento	34,560	44,823	47,839
Pocket	23,716	42,884	45,284
South Natomas	10,418	34,587	36,098
South Sacramento	28,721	56,752	63,647
<b>TOTAL</b>	<b>274,076</b>	<b>367,706</b>	<b>386,849</b>

Source: SACOG. 1992 Population and Housing Module.

North Natomas, the area with the most vacant land, remains undeveloped. The recent community plan update is expected to contribute to its future development.

**Table 3-4**  
**HOUSING UNITS BY COMMUNITY PLAN AREA - 1980-1992 PERIOD**

<b>Community Plan Area</b>	<b>1980</b>	<b>1990</b>	<b>1992</b>
Airport/Meadowview	9,670	9,956	10,267
Arden/Arcade	5,062	5,508	5,523
Central City	17,975	18,465	18,498
East Broadway	16,401	17,746	17,971
East Sacramento	15,401	15,604	15,609
Land Park	14,577	14,809	14,831
North Natomas	290	295	296
North Sacramento	14,532	16,578	17,291
Pocket	9,477	18,119	18,666
South Natomas	3,851	14,876	15,207
South Sacramento	10,817	20,648	22,680
<b>TOTAL</b>	<b>118,053</b>	<b>152,604</b>	<b>156,839</b>

Source: SACOG Population and Housing Modules, Jan. 1, 1990.

Other community plan areas, such as East Sacramento, were at or near "100% buildout" by 1980, and therefore had little growth potential in the ensuing years. Once the City fully resolves flood control issues in North Natomas, this area has the greatest amount of growth potential over the next several years.

### **Household Size**

As the population and household growth rate figures indicate, both the City and County experienced a large decline in household size from 1970 to 1980. The County's average household size fell from 3.08 to 2.58 persons per household, while the City's fell from 2.77 to 2.39 persons per household. Lower birth rates, a trend toward smaller family sizes, increasing divorce rates, and an increasing share of elderly who tend to have smaller households contributed towards this household size decline.

The trend toward rapidly shrinking household size changed in the 1980's, however, with the County's average household remaining steady at 2.58 persons, and the City's average household size actually rising to 2.50 persons per household between 1980 and 1990. This trend is partly due to recession related factors, such as young people living at home longer



or moving back in with their parents, and shared housing for affordability, and new cultural populations with larger extended families. The trend appears to be continuing: figures from the Department of Finance estimate that the City's household size has increased to 2.55 persons, while the County's has increased to 2.61 persons. Given the economy and Sacramento's rising immigrant population with larger households, this trend of increasing household size is expected to continue over the next several years.

### **Age/Sex Distribution**

According to the 1990 Census, the City of Sacramento's population is comprised of 48% males and 52% females. The median age in 1990 was 31.8 years. Table 3-5 gives population by age interval based on the 1980 and 1990 Census.

**Table 3-5: AGE DISTRIBUTION 1980-1990 (EST.)**

<b><u>Age Interval (Years)</u></b>	<b><u>1980 Number</u></b>	<b><u>% of Total Population</u></b>	<b><u>1990 Number</u></b>	<b><u>% of Total Population</u></b>
0-9	36,007	13.0	59,317	16.1
10-19	41,514	15.1	47,462	12.8
20-29	53,774	19.5	64,895	17.6
30-39	37,078	13.4	67,248	18.2
40-49	25,922	9.4	43,589	11.8
50-59	30,074	10.7	28,346	7.7
60-64	13,888	5.0	13,889	3.8
65+	37,484	13.6	44,619	12.0

Sources: 1980 Census, 1990 Census.

As a percentage of total population, the City's senior population has declined slightly since 1980. In 1990, 44,619 or 12% of the City's residents are 65 years old or over compared to 37,484, or 14%, in 1980. At the same time, the number of children (0-9 years of age) has increased from 36,007 or 13.0% of the population in 1980, to 59,317 or 16.1% as of the 1990 Census.

### **Race/Ethnicity**

The City of Sacramento is increasingly diverse and multi-cultural. Since 1980, the percentage of Asian persons has increased approximately 7% from 8.2% of the population to over 15%. Similarly, the proportion of the City of Sacramento's population who are Black

and those who are Hispanic, both increased approximately 2% since 1980.

Compared to the County, the City is significantly more diverse. Forty percent (40%) of the City's population is non-white compared to the County which has only a 16.6% non-white population. Similarly, the City has a significantly higher proportion of persons of Hispanic decent. Table 3-6 summarizes the 1990 Census results for the City and County.

**Table 3-6 1990 RACE AND ETHNICITY**

Race/ Ethnicity	City of Sacramento	Percent of City Total	Unincor- porated County	Percent of Unincorp. County Total	County Total
White	221,963	60.1%	560,363	83.4%	783,326
Black or African American	56,521	15.3%	40,608	6.0%	97,129
American Indian, Alaskan	4,561	1.2%	7,507	1.12	12,068
Asian	55,426	15.0%	40,918	6.1%	93,344
Other	30,894	8.4%	22,458	3.3%	53,352
Total	369,365	100.0%	671,854	100.0%	1,041,219
Persons of Hispanic Decent	60,007	16.2%	61,537	9.2%	121,544

Source: 1980, 1990 Census. The Hispanic category includes all races. The other races and ethnicities do not include Hispanics.

### **3.2 INCOME CHARACTERISTICS**

The 1997 Sacramento Area median income figure, as determined by the U.S. Department of Housing and Urban Development (HUD), is \$48,400. Median income is adjusted for family size, and the median for a four-member household is considered the area median.

The income categories used by HUD, and other housing agencies, are as follows:

- Very Low Income                      Less than 50% of median
- Low Income                              51%-80% of median
- Moderate Income                      81%-120% of median
- Above Moderate Income              More than 120% of median

As mentioned earlier, the median income is adjusted for household size by HUD. These adjusted figures, calculated for Low income categories, are listed in Table 3-7 and will be used for future calculations.

**Table 3-7**  
**1997 HUD INCOME LIMITS FOR HOUSING PROGRAMS**

<b>FAMILY SIZE</b>	<b>LOW INCOME</b>
1	\$27,100
2	\$31,000
3	\$34,850
4	\$38,700
5	\$41,800
6	\$44,900
7	\$48,000
8	\$51,100

Source: U.S. Department of Housing and Urban Development

The Sacramento Consolidated Housing Assistance Plan prepared for by the Sacramento Housing and Redevelopment Agency estimates that 46.0% of the City's households are estimated to be in the low and very low income categories based on the 1990 Census. The table below shows the number and percent of households by income group estimated by HUD based on the 1990 Census.

**Table 3-7b**  
**SACRAMENTO CITY AND COUNTY ESTIMATED**  
**NUMBER OF HOUSEHOLDS BY INCOME LEVEL**

	City Households	Percent	County Households	Percent
<b>Very Low Income (50% and Below)</b>	41,348	28.6%	87,515	22.1%
<b>Low Income (51% to 80%)</b>	25,466	17.6%	66,771	16.9%
<b>Moderate Income (81% to 95%)</b>	11,960	8.3%	34,435	8.7%
<b>Above Moderate</b>	65,887	45.5%	206,436	52.3%
<b>Total</b>	144,661	100.0%	395,157	100.0%

Source: U.S. Department of Housing and Urban Development, Office of Community Planning CHAS HUD form 400090-A.

In 1989, the Sacramento Area Council of Government (SACOG) Housing Needs Allocation estimated 45.5% of the city's total households were low and very low income. SACOG's household projection for 1996, however, devotes 44.1% of the total allocation to low and very low income household categories. That indicates that the percentage of the City's total households which fall in the low and very low income categories has decreased since 1980. It can also be concluded that, although the City's low income population will increase significantly in absolute terms, the low income share of the population is projected to remain fairly stable in the near future.

### **3.3 EMPLOYMENT TRENDS**

The Sacramento region, with a 1996 population of over 1.6 million, was one of the nation's fastest growing metropolitan area economies in the 1980's. Total jobs increased by nearly 50% between 1979 and 1990 - an average growth rate of 3.7% per year. The region's economy expanded nearly twice as fast as the state and national economies.

The Sacramento economy was not as severely affected by the California recession as other regions of the State. In fact, between 1990 and 1996 total jobs in the region grew as fast as in the nation.

The 1990's brought rapid expansion of high tech manufacturing into the Sacramento region. Major domestic and foreign producers like Packard Bell, Intel, Hewlett Packard and NEC located or expanded manufacturing and research facilities in the region - bringing nearly 10,000 new jobs since 1990.

The Center for the Continuing Study of the California Economy projects that the region will again outperform the nation in economic growth in the decade ahead. Jobs will increase by 2.4% per year between 1994 and 2005 - well below the 1980's trend, but above expected state and national growth rates.



### 3.4 HOUSING INVENTORY CHARACTERISTICS

#### Housing Supply

According to the 1990 Census, the City had a total of 151,850 dwelling units. This amounts to a 24% increase over the 1980 Census total of 123,256 units. As of January 1992, this number had further increased to 157,282, according to Department of Finance figures. A breakdown of the type of dwelling units, as of the 1990 Census, shows 98,221 single family units, 50,274 multi-family units, 3,355 mobile homes and 1,512 miscellaneous other units (See Table 3-8).

**Table 3-8: HOUSING UNIT TYPE (1985-1992)**

Type of Structure	1985		1990		1992	
	Housing Units	% of Total	Housing Units	% of Total	Housing Units	% of Total
Single Family	87,664	64.6	98,221	64.7	101,142	64.3
2 - 4 Units	14,607	10.8	14,623	9.6	14,730	9.4
5 + Units	30,585	22.6	35,651	23.5	38,055	24.2
Mobile Homes	2,653	2.0	3,355	2.2	3,355	2.1
<b>TOTAL</b>	<b>135,509</b>	<b>100.0</b>	<b>151,850</b>	<b>100.0</b>	<b>157,282</b>	<b>100.0</b>

Source: 1990 Census for 1990 numbers, Department of Finance, E-5 Report for 1985 and 1992.

From 1980 to 1990, the City added an average of 2,969 housing units per year. From 1985 to 1991, 3,237 units were added yearly to the total supply.

The County had 417,574 units according to the 1990 Census (an increase of 30% over 1980) representing an additional 9,559 units per year. 333 units per year have been demolished in the County since 1986. The County (non-City portion) has a slightly different distribution of housing type which includes more single family units and less multi-family units. According to the 1990 Census, over 68% of the units in the County are single family units and 27% are multi-family units compared to the City which, in 1990, included 64.6% single family and 33% multi-family units.

A breakdown of housing types per year is shown in Table 3-9.

**Table 3-9: NEW CONSTRUCTION BY HOUSING TYPE (1985-1990)**

YEAR	SINGLE FAMILY	2-4 UNITS	5+ UNITS	MOBILE HOMES	TOTAL
1985	1,364	234	1,990	<-13>	3,575
1986	2,907	132	2,071	<-114>	4,996
1987	2,286	147	1,742	0	4,175
1988	1,268	81	1,017	9	2,375
1989	1,300	59	859	55	2,273
1990	1,815	34	332	0	2,181
1991	1,333	101	434	0	1,868
<b>TOTAL</b>	12,273	788	8,455	<72>	21,444

SOURCE: SACOG housing module, 1991-92.

The total vacancy rate for the City in 1990 was estimated, by the Census, to be 5.81%, down from 8.42% in 1980. The Department of Finance estimated that the vacancy rate was 5.91% as of January 1992. A Coldwell Banker study, taken in the third quarter of 1992, fixes the multi-family rental unit vacancy rate at 7.9% for the Sacramento Market Area. The rental vacancy is usually the high component of the vacancy rate with "vacant-for-sale" averaging 1-2%, so the results of these two sources appear to be at least generally consistent. The "vacant-for-sale" rate may be higher than is traditionally estimated, however, because the volume of resale homes on the market has been high over the past two years.

Preciseness is difficult when discussing vacancy rates due to the different methodologies employed and areas covered by the various sources. Data indicates, however, that the rental vacancy rate has increased in the City over the past two years and is currently above the 5% rate which is normally considered "healthy" for a housing market.

#### **Factors Reducing Housing Supply (Demolitions, Conversions and Opt Outs)**

An average of approximately 133 dwelling units per year have been demolished in the City over the past five years primarily due to dangerous building conditions.

Since 1961, 3,000 single room occupancy (SRO) units have been demolished or converted to other uses. Five SRO hotels have closed within the last ten years. As a result, the City first enacted restrictions on demolitions and currently requires City approval of SRO demolitions and an accompanying relocation plan. SRO's represent an important component of the housing stock, in that they add an important dimension to affordable

housing choice. As a result, SHRA and others are also exploring means of new SRO construction.

### **Housing Type and Tenure**

As of the 1990 Census, 64.0% of existing housing units (98,221) were single family homes, 32.7% (40,729) were multi-family homes and 2% (2,443) were mobile homes. This data indicates that housing type split had remained fairly stable since 1980, at which time the single-family share of existing housing was 65% (80,112), the multi-family share was 33% (or 40,729 units), and mobile homes constituted 2% (or 2,443). The tenure split, as of the 1990 Census, was 51.3% owner-occupied and 48.7% renter-occupied units for the overall population. This compares to a 56.4% owner and 43.6% renter split at the time of the 1980 Census. This trend towards renting and away from ownership was caused largely by a decreasing level of housing "affordability". (This is defined later in this section). This pattern may reverse in the coming years if affordability continues to increase, as it has in the past several years. The County owner-occupied rate at the time of the 1990 Census was 56.6%.

As of the 1990 Census, the tenure split varied greatly between ethnic groups. 57.0% of Asian and 54.2% of white households were homeowners, while only 44.2% of Hispanic households and 38.5% of black households were owners.

### **Age of Housing**

The age of housing is an indication of housing stock condition in an area. The latest data available on the age of housing stock is the 1990 Census (see Table 3-10). Even though the growth rate in the City has been high, approximately 58.9% of homes in 1990 were over 20 years old compared to 56% in 1980. The median aged home in 1980 was built in the late 1950s. In 1990, the median aged home was built in the early to mid 1960s. The aging of the City's housing stock increases the importance of housing rehabilitation programs in meeting housing needs.

**Table 3-10: AGE OF HOUSING STOCK (1980-1990)**

YEARS BUILT	1980		1990	
	NUMBER OF UNITS	% OF TOTAL	NUMBER OF UNITS	% OF TOTAL
1980-1990	-	-	36,398	23.7
1970-1980	28,829	23.4	26,688	17.4
1960-1970	25,240	20.5	23,711	15.5
1950-1960	26,557	21.5	25,734	16.8
1949-BEFORE	42,630	34.6	40,831	26.6

Source: 1980 Census, 1990 Census

### **Condition of Housing**

One of the major components of the provision of adequate housing is the rehabilitation of existing units. As the cost of new construction continues to soar and as Sacramento's housing stock continues to age, rehabilitation becomes an increasingly important component. In their 1988-1991 Housing Assistance Plan, the Sacramento Housing and Redevelopment Agency (SHRA) inventoried 11,718 substandard units. This represented 8.5% of the city's housing stock. Of these 10,725 were occupied. The SHRA designated 9,894 of these units suitable for rehabilitation. Of these 9,065 were occupied, and 6,239 units were occupied by lower income households. The Agency's three year goal was to assist in the rehabilitation of 1,356 units, through various loan and grant programs. Of the units to be assisted, 670 were owner occupied, and a total of 1,150 were expected to assist lower income households.

### **Overcrowding**

An overcrowded household is defined as a household which lives in a dwelling unit with an average of more than 1.0 persons per room, not including bathrooms. As of the 1980 Census, there were 4,571 such households, representing slightly more than 4% of total households. As of the time of the 1990 Census, there were 3,337 owner-occupied households and 8,998 renter households which could be classified as overcrowded. The total of 12,335 overcrowded households represented 8.5% of the City's total households. Overcrowding is caused by two major problems: the unavailability and unaffordability of appropriately sized units, particularly for large families. Since 1980, there have been few three-bedroom or larger rental units constructed, and, as has been discussed, the affordability of purchasing homes has declined remarkably. It can be intuitively concluded, therefore, that the trend would be toward more overcrowding due to households living in under sized units, or sharing units with previously separate households, in order to meet expenses.



### 3.5 HOUSING AFFORDABILITY

#### Housing Costs

Like California in general and major portions of the United States, prices for single family homes in the Sacramento area experienced dramatic increases from 1985 through 1990. This trend was even more pronounced in the 1988-1990 two-year period. From 1985 to 1990, median home prices increased 74% from \$80,250 to \$139,950. From 1988 to 1990, prices soared 45% or \$43,700. In the year 1990 alone, median prices jumped \$26,950 or 24%. (See Table 3-11). Part of the reason for the marked increase in home prices during the 1988-1991 period was that speculators (or just individuals relocating) from the Bay Area and Los Angeles were utilizing large equity gains from housing inflation in those areas to purchase Sacramento homes at prices higher than local buyers could afford.

Since 1990, the housing market has slowed considerably due to a Statewide recession, out migration from the State and other local economic factors. For example, from 1990 to 1995, median home prices dropped 13.5% from \$139,950 to \$121,000. Prices have continued to fall with the most recent report of \$115,500 (1996) for the median home. According to the Sacramento Board of Realtors, buyer confidence is also low as a result of the general economy. Local influences such as closures of Mather AFB, the Sacramento Army Depot, and McClellan AFB, as well as down-sizing in both government and the private sector have also served to reduce housing demand. Finally, many homeowners refinanced their units to take advantage of lower interest rates. Refinancing coupled with reduced resale prices has left many homeowners in a high loan to housing value situation, which has affected the "move-up" housing market.

**Table 3-11**  
**MEDIAN HOME PRICES IN SACRAMENTO COUNTY - MONTH OF SEPTEMBER**

<u>Year</u>	<u>Month</u>	<u>Price (\$)</u>	<u>% Change - Previous Year</u>
1996	September	115,500	{5.0}
1995	September	121,000	{2.54}
1994	September	118,000	{5.60}
1993	September	125,000	{5.30}
1992	September	132,000	{2.73}
1991	September	135,700	{3.0}
1990	September	139,950	23.85
1989	September	113,000	17.4
1988	September	96,250	5.2
1987	September	91,500	7.6
1986	September	85,000	5.9
1985	September	80,250	1.9

Source: Sacramento Association of Realtors

It is important to note that the above median prices are for the County of Sacramento which tends to have higher home values than the City. For example, the median home value of owner occupied units at the time of the 1990 Census for the County was \$132,600 compared to the median home value reported in the City of \$120,700.

## Rental Rates

Apartment rental rates moved steadily upward from 1986 to 1991, before falling again in 1992. According to Coldwell Bankers' surveys, the "average" rent for studios and one, two and three bedroom apartments in the Sacramento area increased from \$419/month in 1986 to \$524/month in 1992, amounting to a 25.0% increase. (The 1990 Census indicated that the median rent in the City of Sacramento was \$495/month). Since 1990, the rate peaked at \$533/month in the fourth quarter of 1991. The rental market is now (1997) stabilized and in many cases higher than 1992 (See Table 3-12). Again, this is attributed to a Statewide housing recession and local influences. Additionally, the Sacramento housing market has a large inventory of single family homes for rent (tied to the slow re-sale market). The large inventory of single family for rent homes coupled with other investment properties has resulted in relatively stable rent prices.

**Table 3-12**  
**RENTAL RATES BY NUMBER OF BEDROOMS**  
**SACRAMENTO METROPOLITAN AREA 1983, 1987, 1992, 1995, 1997**

<u>Unit Type</u>	<u>1983</u>	<u>1986</u>	<u>1990</u>	<u>1992</u>	<u>1995*</u>	<u>1997</u>
Studio	\$190-225	335	395	417	409	441
1 Bedroom	225-315	379	442	473	479	483
2 Bedroom	300-360	425	500	530	511	546
3 Bedroom	400+	539	635	676	797	740
"Average"**	300	419	493	524	549	604

Source: 1983 - Homes Finders Wannavee Enterprises, Inc.; 1986,'90,'92 - Coldwell Banker and 1995 CB Commercial Sacramento Area Multi-Family Vacancy Rental Survey, Second Quarter 1995 and 1997 prepared by CB Commercial Real Estate Group Inc.

\* "Average" rent, for the purpose of this table, refers to the mean of studio, one bedroom, two bedroom/one bath, and three bedroom apartments. This is not a weighted mean.

The apartment vacancy trend from 1992 to 1997 has been somewhat erratic, with notable peaks and valleys. During this period the region experienced a vacancy low of 3% and a high range of over 9%. Current information supplied by CB Commercial indicates the 1997 first quarter vacancy rate reported an overall vacancy for multi-family units of 3.9%. Vacancy rates are highest for studios (5.0%) and lowest for Townhouses (2.4%). Three bedroom units are also below the average vacancy rates -- reporting a 1997 vacancy rate of 3.0%.

**SACRAMENTO REGION VACANCY MULTI-FAMILY VACANCY RATES**  
**1992 through 1997 (First Quarter)**

<u>Year</u>	<u>Average Vacancy Rate</u>
1992	9.00%
1993	9.15%
1994	8.35%
1995	6.65%
1996	4.85%
1997	3.90%

**Affordability**

Affordable housing is defined, in most cases, as housing which can be obtained for 30% or less of a given household's gross income. Overall, these results would indicate a trend toward increasing housing affordability for ownership opportunities and stable or decreasing affordability for rental housing. For ownership, this trend can be displayed quantitatively using a housing affordability index. This is a measurement of the percentage of households which can afford to purchase a median priced home. The Sacramento Area Index (for the fourth quarter of each year), as provided by the Sacramento Association of Realtors, is shown below.

**Housing Affordability Index**

(Percentages compiled by the California Association of Realtors, based on Sacramento Association of Realtors Multiple Listing Service Data. The index measures the number of households in the area that have the minimum income necessary to afford the area's median priced home).

1985	50%	(Fourth Quarter Results)
1986	48%	
1987	52%	
1988	53%	
1989	45%	
1990	32%	
1991	40%	
1992	46%	
1993	57%	
1994	55%	
1995	55%	(Second Quarter Results)
1996	63%	(Fourth Quarter Results)

As can be seen, despite reduction in incomes, favorable interest rates have served to stabilize ownership affordability in the Sacramento area. An exception to this is the early 1990's (1990 to 1992) when home prices increased dramatically beyond the reach of many homeowners. After this period, market corrections, and recessionary trends curbed this cycle and at the present time (1997) approximately 63% of households in the Sacramento area can afford the median priced

home. Despite ups and downs in housing prices, the Sacramento Metropolitan region continues to be one of the most affordable housing markets in the State. According to the California Association of Realtors' Affordability Index, more households in Sacramento can afford the median priced home in Sacramento than any other metropolitan area in the State. For example in 1997, assuming a median priced home with 20% down and a 30 year fixed rate mortgage, only 44% of households in the State of California could afford to buy a median priced home versus 63% of households in Sacramento.

In order to assess the affordability of rents, it is necessary to determine affordable rents for each household size at each income level and compare these affordable rents to the actual average rents for appropriate sized units. Results of this analysis (Table 3-13) indicate that, in general, market rents in Sacramento are affordable to most low income households (households earning 50% to 80% of median income) but are less affordable to very low income (households earning less than 50% of median income). The greatest affordability gap is for very low income households seeking 3 bedroom units. It is interesting to note that the price of three bedroom units does not appear to be a function of low vacancy for this unit type. The CB Commercial 1995 Multifamily Vacancy/Rental Survey for Sacramento area reports that 3 bedroom units have the highest vacancy of all housing unit types in the survey. Large family rental housing appears to be available, but not at affordable rents for the very low income. Not included in the CB Commercial survey are existing single family units available for rent. Because of the slow housing market in Sacramento, a large inventory of single family homes are now available for rent. A portion of the large family housing need, therefore, may be met by these single family units, leaving the high vacancy in larger multi-family units.



**Table 3-13**  
**SACRAMENTO METROPOLITAN AREA**  
**RENTAL AFFORDABILITY 1997**

<u>Annual Income</u>	<u>Household Size</u>			
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
Low Income	27,100	31,000	34,850	38,700
Very Low Income	16,900	19,400	21,800	24,200
<b>Affordable Monthly Housing Cost</b>				
<b><u>(30% of income \$)</u></b>				
Low Income	677	775	871	968
Very Low Income	423	485	545	605
<b><u>Monthly Available for Rent* (\$)</u></b>				
Low Income	632	720	806	893
Very Low Income	378	430	480	530
<b><u>Monthly Average Rent** (\$)</u></b>				
	<b><u>Studio</u></b>	<b><u>1 Bdrm</u></b>	<b><u>2 Bdrm</u></b>	<b><u>3Bdrm</u></b>
	441	483	546	763
<b><u>Monthly Affordability Gap (\$)</u></b>				
Low Income	-0-	-0-	-0-	-0-
Very Low Income	63	58	66	233

\* Includes a utility deduction \$45/studio, \$55/1BR, \$65/2BR, \$75/3BR - Source: Keyser Marston Economic Nexus Analysis, April 1990

\*\* CB Commercial Multifamily Rent and Vacancy Survey, 1997, First Quarter

### **Overpayment**

Households which pay more than 30% of their gross income for housing are said to be "overpaying" for housing. The 1990 Census provides some insight into characteristics of household income in 1989 by selected monthly owner costs/gross rent as a percentage of household income. The 1990 Census has rendered a breakdown of household income categories in the data on monthly housing costs as a percentage of household income. The results of this "overpayment" calculation, both for owner and renter households, are displayed below.

INCOME CATEGORY	NUMBER OF HOUSEHOLDS PAYING MORE THAN 30% OF THEIR INCOME FOR HOUSING Source: 1990 Census.		
	OWNER	RENTER	TOTAL
LOW AND VERY LOW	10,849	31,854	42,698
MODERATE AND ABOVE MODERATE	1623	1011	2634
TOTAL	12,467	32,695	45,332

A total of 45,332 households are "overpaying" for housing in the City or approximately 30% of city households. Of the total households which are overpaying, 94% are lower income. For purposes of this discussion, "lower income" is defined as 80% or below the Census derived Sacramento County median income in 1990.

### **Subsidized Housing Options**

The Sacramento Housing and Redevelopment Agency (SHRA) serves as the Housing Authority for the City and the County of Sacramento. SHRA is one of the more aggressive public housing authorities in the state and has one of the largest inventories of public housing. Assisted housing is an important component of the housing inventory for maintaining housing diversity and choice and for housing households of very low income. Currently, SHRA administers 2,009 units of public housing within the City of Sacramento, and 2,680 Section 8 or housing vouchers in the City of Sacramento, thereby providing assistance to 4,689 very low or low income households.

For the Section 8/housing voucher program, units must meet HUD's Fair Market Rent (FMR) standards. Fortunately, in the City of Sacramento market rentals are at or below FMR's enabling this program to operate effectively and allow recipients housing choice. FMR published by HUD and effective June 30, 1994 are as follows:

<b><u>Unit Size</u></b>	<b><u>HUD FMR</u></b>	<b><u>Average Market Rent</u></b>
0/ Studio	\$440	\$409
1 bedroom	\$496	\$479
2 bedroom	\$620	\$511
3 bedroom	\$862	\$797

### 3.6 PROJECTED HOUSING NEEDS TO MEET OVERALL POPULATION GROWTH

#### Population Trends

Population is forecasted, by SACOG, to reach 444,300 by 2005. This estimate was recently adjusted down from 490,000 due to the general recession in the region and State.

#### New Construction Need

To assist local governments in the Sacramento Metropolitan area in making projections of future housing needs, the Sacramento Area Council of Governments (SACOG) prepares a Regional Housing Needs Allocation Plan. The Plan covers the planning period from 1989 to 1996 (The state recently extended the planning period to the year 2000). The purpose of this plan is to examine housing needs across jurisdictions/boundaries, and allocate responsibility for planning to meet these needs. The State requires that the projections take into account the market demand for housing, employment opportunities, availability of suitable sites and public facilities, community patterns, type and tenure of housing need, and farm worker criteria.

As was previously mentioned, the number of households in the City is projected to increase to 155,385 in 1996. This compares to 139,413 in 1989. Taking vacancy levels and anticipated demolitions and conversions into consideration the total Basic Construction Need was determined to be 16,751 dwelling units.

After determining the total Basic Construction Need for a particular jurisdiction, the need is divided into very low, low, moderate and above moderate income categories. The base construction needs for each income group for the 1989-1996 projection period were as follows:

#### **1989-1996 FIVE YEAR NEW CONSTRUCTION NEED**

<u>Basic Construction Need</u>	<u>Number of Units</u>
Very Low	2,519 units
Low	2,793 units
Moderate	4,098 units
Above Moderate	7,341 units
Total	16,751 units

These are the projected housing needs to meet project population growth. Chapter 4, reviews these current housing needs and goals and discusses the progress to date. The goals express the total number of units by affordability that are estimated to be needed to meet population projections. In addition to overall housing supply goals, the housing needs of persons with special housing needs must be reviewed. These special needs are discussed in the next section.

### 3.7 SPECIAL HOUSING NEEDS

Special Housing need groups are those individuals or households who share a common type of



need due to age, disability, income, or other mutual circumstance. The following section attempts to enumerate these special needs groups. The Consolidated Plan (CP) for Federal HUD Funding prepared by the Sacramento Housing and Redevelopment Agency (SHRA) provides a comprehensive review of housing needs for special groups in the Sacramento area. The CP identified homeless persons, first time homebuyers, migrant farmworkers and a number of special populations (which require housing in conjunction with supportive services) such as the frail elderly, severely mentally ill, persons with AIDs and AIDs related diseases, and others. In addition to special populations identified by the CP, the needs of single parent households, large families and other groups are discussed below.

### **Single Parent Head of Household**

The 1990 Census counted 18,217 households (approximately 12% of all households) headed by a single parent with related children. Of these, 14,880 were headed by a female and 3,337 were headed by a male. Of the female headed households, 6,187 (41.6%) were below the poverty level. The male headed households consisted of 774 (23.2%) which were below the poverty level. These households have special needs for child care and related support services. Single parent households increased area wide from less than 7% to more than 9% of total households from 1970 to 1980, and to more than 12% in 1990. A large portion of single parent householders are low or very low income. According to the 1990 Census, 16.2% of all households reported public assistance as their primary source of income, and it is estimated that a majority of these households use AFDC. In general, this population group can be assisted by the same strategies necessary to maintain and produce affordable housing in Sacramento. Special efforts to also provide childcare and family services on-site would also assist this segment of the population. SHRA has participated in the HUD Family Self-Sufficiency project and a number of other assisted housing programs with child care services. One is the Family Demonstration Project in Del Paso Heights; another is the River City Co-Housing project in the Central City.

### **Large Families**

A large family is defined as a household consisting of 5 or more persons. In 1980, there were 10,057 such households. According to the 1990 Census this number has increased by 34.3%, to 15,306 family households. This represents approximately 10.60% of the City's total households. Large families are an interesting "need group" in that they do not, by definition, possess any special needs. In 1980, 68% of large families were home owners in the city and 73% were owners county-wide. This was the largest owner percentage of any household size. According to the 1990 Census for the City, these figures changed to 48% home owners and 52% were renters.

Large families that are renters and are low income have a difficult time obtaining adequate housing. Under current (1995) market conditions, there is a fairly large inventory of vacant large (3 bedroom or more) multi-family housing and a significant inventory of single family housing for rent. Although supply is available, it was noted above that large family units are also less affordable. As a result, affordability is an issue for very low income large families. Large families in higher income categories tend to be homeowners or have adequate income to rent existing units.



## Seniors

The 1980 Census counted 37,484 persons aged 65 or over ("seniors") representing 13.6% of the population. This was both an absolute and a relative increase over 1970 when the elderly population was 27,894 (representing 11.0% of the total population). The 1990 Census counted 42,552 persons over age 65, representing 12.1% of the total population. This amounts to a 19.0% absolute increase over 1980, but a 1.5% relative decrease.

The 1988 City/County Housing Task Force report estimated that 21-41% of the 1988 elderly population were "frail". Frail is defined here as needing at least some assistance to maintain an independent lifestyle. This amounts to between 9,369 and 18,294 of the 1990 Census count of seniors. The 1990 Census shows that of households in the city, 29,736 were made up of seniors. Of this number 20,608 owned, and 9,128 rented. The number of seniors below the poverty level was 3,735 representing about 8.8% of the total senior population. Elderly renters face the problem of paying ever increasing rents on fixed incomes. Approximately one-third of elderly households are renters.

Senior households have a fairly high home ownership rate at 69%, the ownership percentage tends to remain fairly constant with age. Among homeowners, even though they may own their homes outright, many may be in a situation characterized as "house rich and cash poor". In other words, a person may have large equity in a home, but still be forced to live on a minimal fixed income. Selling the home may not be an available option, because the price of rent may override the income made available by the home sale.

In addition to financial difficulties, seniors face transportation difficulties, with one-third of persons over 75 unable to use public transit. Compounding this problem, one-third of all seniors live alone and therefore may not have access to any sort of transportation assistance.

The vast majority of the senior population desires to live as independent a lifestyle as possible. Housing and assistance programs for seniors should put priority on independent living, attempting first to maintain these persons in their own homes. Sacramento has experimented with several methods to assist the elderly and frail elderly. One program, Riverview Plaza, is a housing tax credit development based on an "age in place" concept. An array of services may be made available to allow resident to age and deal with age related infirmities "in place". The Woodhaven project in Del Paso Heights provides affordable senior housing for very low income seniors. Additionally, shared housing assistance services are available to assist the elderly in securing "roommates" for companionship and service. This again allows the elderly with housing to maintain their homes. Finally, a number of social service agencies assist the elderly with economic benefits for seniors such as the State tax deferment program and reverse annuity programs. Finally for very low income seniors, Single Resident Occupancy (SRO) units can provide affordable housing in close proximity to downtown services. Again SHRA has taken a leadership role in preserving and rehabilitating these units and has made efforts to support proposals for new SRO construction.

In the mid-1980's substantial effort was undertaken in the Sacramento area to document senior housing demand. Indeed, the studies showed that demand will increase as the population ages, particularly age groups with large populations such as the "baby boomers". Results of the senior

housing demand studies, showed that a temporary over-supply of senior housing occurred in the Sacramento area which remained vacant. Some of these units have now leased up. Others requested and some received permission to convert to non-senior housing. Housing experts suggest that the development community, while correctly anticipating housing demand from this age group, incorrectly anticipated the style and cost of housing in which the age group would buy. In general, many newer developments sought to compete for a limited middle and upper income senior market rather than provide units for fixed and lower income senior householders.

### **Disabled**

Individuals with disabilities have special needs in terms of access to and accessibility within dwelling units. Transit and proximity to needed social or medical services is also a special concern for the disabled.

According to the 1990 Census, 5.9% of civilian non-institutionalized persons 16-64 years of age have a mobility or self care limitation. This amounts to 13,737 persons identified as having a self-care limitation that had lasted for six or more months and "which made it difficult to take care of their own personal needs, such as dressing, bathing or getting around inside the home." (1990 Census Population and Housing, Summary Social, Economic, and Housing Characteristics, U.S. Department of Commerce, pp. B-34).

There were 9,361 persons 65 years and over with some mobility or self care limitation. Given all persons 16 years or older, 23,098 are disabled with a mobility or self care limitation.

It should be noted that there is a higher percentage of the total population with some form of work disability. For purposes of this discussion, staff focussed on those individuals with self care limitations as opposed to work limitations.

The Comprehensive Plan (CP) prepared by SHRA (based on information from caseloads from the Community Services Planning Council) estimates that there are 4,296 persons with severe mental illness in the City of Sacramento that need special housing with supportive care. An additional, 1,379 persons are estimated to have developmental disabilities and 10,106 persons have physical disabilities.

### **Students**

Three major colleges are located within the City of Sacramento. They are California State University Sacramento (CSUS), Sacramento City College and Cosumnes River College. The latter two are Junior Colleges. As of 1991, the enrollment at CSUS was currently 26,435 and is expected to increase by one-third, or to approximately 35,000 students by the year 2010. As of 1991, the enrollment at Sacramento City College was approximately 18,000 students and 8,800 students at Cosumnes River. This amounts to a total enrollment of 53,235.

A fourth school, American River College, is also a Junior College and is located within the unincorporated portion of the County. Its enrollment is approximately 25,000 students.



CSUS is the only college in the City with on-campus housing. Its student housing capacity is 1300. There are currently no vacancies in the on-campus housing. Consequently, 95% of students at CSUS and 98% of students city-wide live off campus. Many of these students live with their parents; many others live in rental units throughout the area. There are no plans for new on-campus housing construction in the foreseeable future, although there is still land tentatively designated for housing in the Campus Master Plan.

Sacramento has a large percentage of older, continuing education students, who have already established homes and careers. The median age at CSUS is in the mid-thirties. This factor somewhat decreases the low income housing needs generated by the college, although data as to the magnitude of this factor is not available.

There are many other colleges in Sacramento, including law schools, bible colleges, trade schools and university extensions. Generally speaking, however, these schools have low enrollments and serve the existing population. As such, they do not create a housing need.

### **Military**

Of the three military facilities located within Sacramento County, only the Sacramento U.S. Army Depot is located within the Sacramento City limits. As of 1995, the Sacramento Army Depot and Mather AFB are officially closed and McClellan AFB is scheduled for closure/privatization. Military housing demand in Sacramento therefore, is less and less of the total housing demand.

### **Farm Workers**

As part of SHRA's Comprehensive Housing Assistance Plan (1992), as many as 1300 migrant farm workers are employed in Sacramento County during peak season. The majority are seasonal farm workers consisting of permanent area residents seeking part-time employment, students, the unemployed or under-employed workers, or the homeless. According to the CHAS, seasonal farm workers are part of the area's lower income population and therefore presumably included in strategies addressing overall affordable housing needs. Migrant farm workers, on the other hand, are not considered part of the static lower income population. Farm worker housing needs may be greatest in proximity to agricultural areas of the County such as the Delta or Galt, than within the incorporated area of the City of Sacramento which is remote from farming areas. City farmworker housing needs are anticipated to be relatively small. An exception to this are the housing needs of "displaced farmworkers". As the County's farmlands are developed for urban uses, some permanent farmworkers may be displaced from farm employment and may seek jobs and housing in more urban areas. Again, strategies to assist very low income households will also benefit this special need population.

### **Special Housing Needs - Homeless Population**

Over the past twenty years, dramatic increases and demographic changes have occurred in the City's homeless population. The primarily single adult men who comprised the homeless population in the past are now joined by women and children. Today's homeless include families with children, employable individuals who are unemployed, the mentally ill, the elderly, the disabled,

and substance abusers. As Sacramento's homeless become more heterogeneous, their needs become more complex and the City's responsibility to address these growing needs becomes critical.

In 1984, the City Council and the Sacramento County Board of Supervisors delegated the SHRA with the responsibility of development, implementation, coordination and administration of housing and support services for the homeless in the City and the unincorporated portions of the County. In response to this mandate, the Agency created the Homeless Program which provides a continuum of housing programs and services to assist homeless individuals and families. As the number of homeless people seeking assistance has grown, the Agency has expanded its Homeless Program from a one-person office with a \$250,000 budget in 1984 to a staff of seven with a \$4.3 million budget in 1990.

In 1992-93, Sacramento County's Department of Human Assistance(DHA) took over the administration of the majority of the homeless programs, continuing SHRA's multiple partnerships with nonprofit service providers to provide a full spectrum of homeless services, including specific care to single men, women, and homeless families with children.

Since that time, SHRA has formed multiple partnerships with other public service providers and the non-profit community to provide a full spectrum of homeless services. SHRA has attempted to sponsor shelter care specific for single men, women, and homeless families with children. A variety of supportive services are offered through the local shelter network including feeding, General Assistance support, the SHRA sponsored Just One Break (JOB) homeless employment outreach program, and counseling. Transitional housing programs such as the Shelter Plus Care program have also been established. The SHRA was also successful in receiving a \$25 million grant to use facilities at Mather AFB for transitional living programs with supportive services. As part of SHRA's long range plan, property in the Richards Boulevard area (near downtown) will be acquired to create a multi-service campus for the homeless. (This project is described in the policies and programs section of the element).

The 1994 Comprehensive Plan prepared for HUD by SHRA includes an analysis of homeless persons in the County and their unmet needs. Indeed the homeless population is a highly mobile population, so the portrait represents a snap shot in time.



# HOMELESS IN THE COUNTY OF SACRAMENTO -- 1994 CONSOLIDATED PLAN

Table 3-15: SACRAMENTO'S HOMELESS POPULATION

HOMELESS PERSONS		NUMBER	PERCENTAGE
Single Persons	Males	1,979	60%
	Females	495	15%
Families with Children		825	25%
Total		3,299	100%
HOUSING SITUATIONS			
Emergency Shelters		2,575	78.0%
Transitional Housing		188	5.7%
Unsheltered		536	16.3%
SPECIAL NEEDS			
Severe Mental Illness Only		396	12%
Alcohol/Drug Abuse Only		693	21%
Severe Mental Illness <u>and</u> Alcohol/Drug Abuse		264	8%
AIDS/AIDS Related Diseases		495	15%

Source: SHRA

The Agency estimates that on any given night approximately 3,000 men, women and children are homeless in Sacramento. Families with children comprise 25 to 30 percent of the total homeless population while single persons comprise 70 to 75 percent. Men form 80 to 90 percent of all homeless single persons. The preceding table (Table 3-15) illustrates the breakdown between single persons and families with children.

According to the Agency, the average age of single men using Sacramento's homeless shelters has decreased from 46 to 33 years old over the past five years. The average age of women accessing the shelters is 36 years. Additionally, thirty-five percent of Sacramento's homeless men are veterans representing all recent wars since the Korean War; the majority are Vietnam veterans. Approximately three percent of the total homeless population is comprised of seniors, 62 years and older. The Agency reports that approximately one-third of the homeless population has a diagnosed mental illness and appear to be unreachable through the community mental health services. Furthermore, homeless women appear to have a higher incidence of mental health issues

than homeless men.

A total of 47 percent of shelter residents served in 1991 were white (European-American), 42 percent African American, 10 percent Latino, one percent Asian-Pacific Islander, and .1 percent American Indian. In comparison with the 1990 Census count of 14.8% percent African Americans among the total population, African Americans, primarily young males, are significantly over-represented in Sacramento's homeless population.

Substance abuse continues to be a contributing factor to homelessness. According to the Consolidated Plan, approximately 21% of the homeless population is involved in drug or alcohol abuse. Without intervention, substance abuse continues to be a contributing factor to homelessness. Together, they often lead to more chronic problems for the individual and families.

Sacramento's emergency shelters, outlined in Table 3-16, serve the homeless from the City and unincorporated portions of the County. Most of the emergency shelters are located within the city limits. 556 shelter beds are available to individuals and families during the warm weather months. An additional 450 shelter beds are available during the winter overflow period, from November to March. Approximately 1,006 beds are available to homeless individuals and families during winter. The Agency reports that shelter facilities are constantly at 100% occupancy throughout the year. Shelter providers report that they are serving a rapidly growing number of homeless individuals and families seeking assistance. In addition to emergency shelters, the City provides hotel/motel vouchers and transitional housing programs to the homeless. These housing shelter alternatives assist those attempting to make the transition from homelessness to permanent housing. Transitional and permanent housing programs for the homeless are shown in Tables 3-17 and 3-18.

The following assistance was provided to the community's homeless population during 1991 by the non-profit service providers that contract with the Agency:

- 169,586 bed nights of shelter to 6,561 separate men, women and children
- emergency winter shelter to 3,253 men, women and children
- transitional housing to 481 individuals
- permanent housing opportunities for 201 persons
- 481,374 meals

**Table 3-16**  
**EMERGENCY SHELTER FACILITIES AND BEDS FOR THE HOMELESS**

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<b>Single Person Shelters</b>	<b>Number of Beds</b>
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The Salvation Army Men's Lodge	80
The Salvation Army Men's Annex	60
The Salvation Army Women's Annex	20
The Salvation Army Aid-In-Kind Program	52
Volunteers of America Aid-In-Kind Program	62
South Area Emergency Housing Center - Women's Shelter	24
Union Gospel Mission	<u>62</u>
Subtotal	360

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<b>Family Shelters</b>	<b>Number of Beds</b>
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South Area Emergency Housing Center - Family Shelter	55
Women Escaping a Violent Environment (WEAVE)	24
St. John's Shelter for Women and Children	<u>40</u>
Subtotal	119

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<b>Shelters for Those under the Influence of Alcohol</b>	<b>Number of Beds</b>
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Volunteers of America Public Inebriate Drop-In Center	60
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<b>Shelter for the Mentally Ill</b>	<b>Number of Beds</b>
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Transitional Living & Community Support for Mentally Ill Men & Women	17
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<b>TOTAL EMERGENCY SHELTER BEDS</b>	<b>556</b>
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<b>Winter Overflow Shelters (November to March)</b>	<b>Number of Beds</b>
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Salvation Army Cal Expo Winter Program	330
Volunteers of America Winter Drop-In Center	<u>120</u>

<b>TOTAL WINTER OVERFLOW BEDS</b>	<b>450</b>
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<b>GRAND TOTAL SHELTER BEDS</b>	<b>1,006</b>
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Source: "Comprehensive Housing Affordability Strategy", SHRA.

**Table 3-17**  
**TRANSITIONAL & PERMANENT HOUSING OPPORTUNITIES FOR THE HOMELESS**

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<b>Transitional Housing Programs</b>	<b>Number of Spaces</b>
■ Transitional Housing Program for families with children	32
■ Shared Housing & Resources Empowerment (SHARE) Program for single men & women	50
■ Independent Living Readiness Pilot Program ("Readiness") for single men	58
■ Resources for Independent Living, Inc. Transitional Living Center for the severely physically disabled	6
■ Transitional Living and Community Support Program for the mentally ill	<u>45</u>
<b>TOTAL TRANSITIONAL HOUSING SPACES</b>	<b>191</b>

Source: "Comprehensive Housing Affordability Strategy", SHRA.

**Table 3-18**  
**PERMANENT HOUSING OPPORTUNITIES TARGETED TO THE VERY LOW INCOME**  
**AND/OR FORMERLY HOMELESS INDIVIDUALS AND FAMILIES**

<b>Program</b>	<b>Number of Spaces</b>
■ HUD Family Unification Demonstration Program Section 8 Certificates/Vouchers	40
■ Agency Homeless Allocation Section 8 Certificate/Vouchers	100
■ Section 8 Moderate Rehabilitation Project (Midtown Manor)	20
■ Shasta SRO Hotel (alcohol free)	80
■ Ridgeway SRO Hotel	85
■ Sequoia SRO Hotel	88
■ Public housing spaces reserved for the homeless	<u>70</u>
<b>TOTAL PERMANENT HOUSING OPPORTUNITIES</b>	<b>483</b>

Source: SHRA.







## 4. CURRENT HOUSING PRODUCTION GOALS AND PROGRESS

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### 4.1 INTRODUCTION

As noted in Chapter 3, SACOG prepares an estimate of population and housing needs for the planning period (1989 to 1996). Recently, the State agreed to extend the planning period to the year 2000 to give localities additional time to address regional housing needs. SACOG also sets goals for housing production based on income and affordability to ensure that regional housing needs are met and balanced. The current goals set by SACOG for the City of Sacramento are:

**Table 4-1**  
**1989-1996 FIVE YEAR NEW CONSTRUCTION NEED**

<u>Basic Construction Need</u>	<u>Number of Units</u>
Very Low	2,519 units
Low	2,793 units
Moderate	4,098 units
Above Moderate	7,341 units
Total	16,751 units

### 4.2 PROGRESS TOWARDS GOALS TO DATE

SACOG also publishes annually, information regarding the number of housing units actually constructed by housing type. Table 4-2 shows new housing construction by housing type for the period of 1989 to 1996.

**Table 4-2**  
**HOUSING UNITS PRODUCED 1989 TO 1996**

YEAR	TOTAL UNITS	SINGLE FAMILY UNITS	2-4 UNITS	5+ UNITS	MOBILE HOMES
1989	2273	1300	59	859	55
1990	2180	1745	9	326	0
1991	2183	1815	34	332	2
1992	1871	1333	101	434	3
1993	1172	880	94	124	74
1994	352	198	125	24	5
1995	541	251	8	280	2
1996	543	412	16	109	6
TOTAL	11,015	7,934	446	2,485	147

Source: SACOG Population and Housing Module, Sacramento City Community Plan Areas, 10-30-95

Approximately two-thirds of the estimated overall goal of 16,571 units has been produced. Much of this limited production can be attributed to an overall recession in the State of California, out-migration, and for the local area, serious economic dislocations, such as the closure of three important military bases and down-sizing in both the public and private sectors. Indeed both housing and population growth have slowed considerably. In general, the lack of housing production has not greatly affected housing affordability. Vacancy rates remain high and both housing rents and prices have stabilized or fallen during the planning period. In this respect, the lack of building activity has not resulted in a housing supply problem which would escalate rents and prices.

It does appear however, that the earlier SACOG population and housing production estimates were high and based on the population and growth trends experienced in the late 1970's and 1980's. Discussions with housing producers indicate that market conditions (lack of new home buyer confidence and lack of confidence in job security) rather than governmental or non-governmental constraints are the major reasons for slow production.

#### **4.3 AFFORDABILITY OF UNITS PRODUCED**

Relative to affordability, there is no system which collects information regarding the sales price or rent levels of newly constructed and occupied units. Records from SHRA, however, can reveal the number of new units constructed during this period which are specifically targeted, through program restrictions, to very low, low or moderate income. Table 4-3, Assisted Housing Production shows that over 2,913 new low and moderate income units were constructed and an additional 1000 or more units rehabilitated. (A full break-out of publicly assisted units is shown in Table 4-6 at the conclusion of this Chapter).

**Table 4-3**

#### **SUMMARY OF PUBLICLY ASSISTED HOUSING UNITS -- 1990 -1995 (Based on August 1995 data provided by SHRA and CADA)**

Very Low Income Units Total	450
Low Income Units Total	1,537
Moderate Income Units Total	767
Other Restricted Units	159
<b>TOTAL</b>	<b>2,913</b>

Regarding privately sponsored housing production, assumptions must be made based on market conditions. As noted earlier, the Sacramento rental market is generally affordable to low and moderate income householders, but, not very low income householders. The CB Commercial rental survey for second quarter 1995, breaks out rental rates for apartments by factors such as age and condition. A Type "A" apartment building is, for example, in the best location, with the highest quality construction, highest amenities and highest rent ranges.



### 1995 BEST CONDITION (TYPE "A") RENTAL RATES

	Studio	1 bdrm	2 bdrm	3 Bdrm
<b>Type "A" Rent Survey Results</b>	\$488	\$586	\$651	\$877
<b>Rent Affordable to Low Income Household*</b>	\$607	\$691	\$771	\$797
<b>Rent Affordable to a Very Low Income Household</b>	\$370	\$421	\$466	\$505

Source: CB Commercial Multi-Family Rental Survey 1995 and HUD 1995 Median Income levels

\* See Table 3-13 for calculations of rental affordability based on HUD income and housing definitions.

Type A, new condition, highest amenities, rental rates are generally affordable to low and moderate income householders (persons earning 50% of median income and above), but are clearly beyond the reach of very low income householders (persons earning less than 50% of median income). Based on this information regarding market rents in the City, it is reasonable to assume that a substantial portion of new multi-family units (5+ units) were affordable for low and moderate income although no records are available to substantiate this on a project by project basis. A conservative assumption for purposes of estimating affordability of private sector produced housing would be to assume that 30% of the new multi-family units are affordable to low income households and another 50% were affordable to moderate income householders. It is assumed that newly produced multi-family housing is not affordable to very low income households unless the household is the recipient of a Section 8 certificate or rental voucher.

Regarding other forms of housing, namely, single family and duplexes, it is also reasonable to assume that a portion of the privately sponsored units produced are affordable to moderate income households (households earning between 80% and 120% of median income). HUD estimates that the 1997 median income for the Sacramento Area is \$48,400. This median assumes that 50% of households earn less than this amount and the balance earn more than this amount. The median priced home in the area is \$115,500 (September 1996) and the California Association of Realtors estimates that 63% of households can afford the median priced home. A conservative assumption that 50% of new single family and 2 to 4 units are affordable to moderate income householders is employed. This accounts for individual household differences such as households who have high debt or lack down payment savings.

Based on these assumptions, current progress in meeting the Regional Housing Allocation Plan goals is as follows:

**Table 4-4**  
**PROGRESS IN MEETING 1996 REGIONAL HOUSING GOALS**

<b>Income Level</b>	<b>Goal</b>	<b>Units Produced</b>	<b>Remaining Units Needed</b>
Very Low	2,519 units	450 units <sup>1</sup>	2,069 units
Low	2,793 units	2,153 units <sup>2</sup>	640 units
Moderate	4,098 units	3,652 units <sup>3</sup>	446 units
Above Mod	7,341 units	4,760 units	2,581 units
Total	16,751 units	11,105 units	5,736 units

<sup>1</sup> Very low income units include only those verified, publicly assisted units constructed with SHRA or CADA financing.

<sup>2</sup> This figure includes 1,537 units verified as assisted by SHRA or CADA plus 30% of new multi-family (5+) units produced or an additional 616 units.

<sup>3</sup> This figure includes 767 units verified as assisted by SHRA or CADA plus 50% of new multi-family (5+) units produced or an additional 1026 units, plus 50% of new single family and duplex development or an additional 1859 units.

#### **4.4 REVISED 1989 TO 2000 HOUSING GOALS**

As shown in Table 4-4 above, there are 5,736 units needed to be constructed to meet the Regional Housing Allocation Plan. Clearly, this is an ambitious goal for the remaining four year period given the state of the economy and the general slowdown in housing production. Goals need to both be challenging and realistic. The revised goals suggest that a goal of 600 units per year (or 2400 units total) be established, and that the proportion of housing type (by income) reflect the anticipated availability of state, federal and local funding and the City's best efforts to provide affordable housing.

**Table 4-5**  
**REVISED HOUSING GOALS FOR THE 1996 TO 2000 PERIOD**

<b>Income Level</b>	<b>Remaining Units Needed</b>	<b>Percentage of Total</b>	<b>Revised 2 Year Production Goal</b>
Very Low	2,069 units	36%	502 units
Low	640 units	11%	349 units
Moderate	446 units	8%	800 units
Above Mod	2,581 units	55%	749 units
Total	5,736 units	100%	2400 units

The goals are reflective of the local market and area. As noted in Chapter 3, Sacramento is fortunate in that housing is generally affordable to moderate income householders and some portion of the low income household population. The area, however, does need to continue aggressive action to provide housing opportunities for very low income household. This is a household earning less than 50% of median income or in 1995 dollars, less than

\$22,600 per year.<sup>1</sup> This includes households such as two income working couples earning at or even slightly above minimum wage, the elderly, single parents and others. In addition, continued emphasis on sound and adequate housing opportunities for this income group is necessary to support the City's economic development goals. The City of Sacramento has aggressively pursued new firms such as Packard Bell to offset military cutbacks. These firms are attracted to Sacramento, in part, because of a good labor market, but also because of our affordable housing to support workers of all income levels. A Packard Bell employee may earn an average of \$8 to \$11 an hour. This calculates to an annual income of \$16,640 to \$22,880 an hour which, using HUD standards, qualifies as a very low income household (less than 51% of median income). Thus, even with positive economic growth and job creation, the City must continue aggressive strategies to serve all income levels, but particularly the very low income level which is not served by the private market.

Also needed is "step-up" housing or housing to serve moderate and above moderate income. Currently many households choose to "step-up" by "stepping out" of the City of Sacramento to the County or other regional suburbs or ex-urban areas. This trend has been noted by neighborhood leaders in many areas of the City as a factor which destabilizes communities and results in a lack of economic integration. Many neighborhoods now look to the City for leadership in achieving economic integration of neighborhoods to include both affordable housing and step-up housing.

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Based on 1995 HUD median income for the Sacramento area of \$45,200.









## **5. RESIDENTIAL LAND INVENTORY**

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State Housing Law (Government Code Section 65583(a)(3)) requires an inventory of adequate sites for residential development including vacant sites and sites with redevelopment potential. It also requires an analysis of appropriate zoning and adequate services to accommodate future housing needs. The inventory should also identify sites with constraints to housing development.

This section summarizes the inventory of vacant land suitable for residential development in Sacramento. It includes the potential residential holding capacity and buildout constraints. It also analyzes the potential housing supply from proposed studies and annexation proposals.

### **5.1 CITYWIDE INVENTORY OF VACANT RESIDENTIAL LAND**

Two inventories are available regarding vacant lands. One, a 1991 inventory of lands conducted by the City of Sacramento Planning Department. Second, a 1995 inventory prepared by the Sacramento Area Council of Governments (SACOG) and based on Assessor's data. Both inventories indicate that the City has an adequate supply of residential land available to meet the housing goals in both multi-family and single family zones and designations.

The first survey (City Planning Department 1991) identified vacant lands designated for residential uses in the General Plan or Community Plan. The map was assembled by the geographic planning teams and includes substantially underdeveloped lands (e.g.: a three acre parcel with one single family unit which could be subdivided), as well as entirely unimproved lands.

The second survey, which did not involve field research, was prepared by SACOG using the County Assessor's site use code records. This inventory is more restricted and identifies only entirely vacant (no building improvements) land which is residentially zoned. As such, certain infill parcels and urban fringe parcels which are substantially under-utilized and could be more intensively developed were not included in the SACOG inventory print-out. The SACOG inventory also excludes 3,148 acres of vacant land in North Natomas which is designated residential on the North Natomas Community Plan and General Plan, but has not yet been re-zoned to residential.

Both inventory approaches have validity. The City inventory, which is broader in the definition of residentially designated land, allows the City to view the relative balance of land uses included in the General Plan. The SACOG survey which is much more defined and conservative allows the City to identify entirely vacant parcels immediately available for development by right (already zoned). Both inventories are discussed in this Chapter.

## **5.2 1991 INVENTORY OF RESIDENTIALLY DESIGNATED VACANT OR SUBSTANTIALLY UNDER-UTILIZED LANDS**

The City of Sacramento inventory identified 7,970 gross acres (or 6,351 net acres) of vacant residential (designated by General Plan or Community Plan) land with an estimated holding capacity of 56,686 potential housing units. Map 5-1 on the following page shows the location of that vacant land. The map highlights large areas of vacant parcels in Sacramento's urban growth areas (Airport Meadowview, North Natomas, South Natomas and South Sacramento). The map does not show small, isolated infill lots scattered throughout the more developed communities. However, those smaller parcels are accounted for in the following tables and are reflected in the City's potential housing capacity. The inventory identified vacant residential land within the City limits and excluded unincorporated land within Sacramento's community plan areas.

Table 5-1 shows the citywide housing potential of undeveloped land currently designated for residential use before assessment of possible environmental or physical constraints to development. Those sites could hold 33,297 single family units and 23,389 multi-family units for a total of 56,686 units. That estimate is based on buildout at the minimum density permitted under current community plan land uses. It does not reflect maximum development capacity under the community plans. The assumption is that housing will be built at the lower end of the adopted density range.



**Table 5-1**  
**CITYWIDE RESIDENTIAL HOLDING CAPACITY POTENTIAL OF VACANT LAND**  
**BASED ON CITY 1991 INVENTORY BY GENERAL PLAN AND COMMUNITY PLAN**  
**DESIGNATIONS**

COMMUNITY PLAN AREAS*	VACANT GROSS ACRES	VACANT NET ACRES	PERCENTAGE OF AREA BUILT OUT <sup>2</sup>	POTENTIAL DWELLING UNITS		
				Single Family	Multi- Family	TOTAL
Airport Meadowview	1,093 <sup>1</sup>	824 <sup>1</sup>	67%	3,827 <sup>1</sup>	1,297 <sup>1</sup>	5,124 <sup>1</sup>
Arden-Arcade	NA	NA	97%	228 <sup>2</sup>	(43) <sup>2</sup>	185 <sup>2</sup>
Central City	22 <sup>3</sup>	21 <sup>3</sup>	97%	135 <sup>2</sup>	440 <sup>2</sup>	575 <sup>2</sup>
East Broadway	NA	NA	94%	874 <sup>2</sup>	227 <sup>2</sup>	1,101 <sup>2</sup>
East Sacramento	NA	NA	98%	532 <sup>2</sup>	(289) <sup>2</sup>	243 <sup>2</sup>
Land Park	NA	NA	98%	310 <sup>2</sup>	15 <sup>2</sup>	325 <sup>2</sup>
North Natomas <sup>4</sup>	3,418	2,813	1%	15,330	14,838	30,168
North Sacramento	1,526 <sup>1</sup>	1,191 <sup>1</sup>	48%	5,092 <sup>1</sup>	2,134 <sup>1</sup>	7,226 <sup>1</sup>
Pocket	282 <sup>1</sup>	216 <sup>1</sup>	89%	945 <sup>1</sup>	736 <sup>1</sup>	1,681 <sup>1</sup>
South Natomas	618 <sup>1</sup>	496 <sup>1</sup>	75%	2,181 <sup>1</sup>	899 <sup>1</sup>	3,080 <sup>1</sup>
South Sacramento	1,011 <sup>1</sup>	790 <sup>1</sup>	65%	3,843 <sup>1</sup>	3,135 <sup>1</sup>	6,978 <sup>1</sup>
<b>Citywide Total</b>	<b>7,970</b>	<b>6,351</b>	<b>69%</b>	<b>33,297</b>	<b>23,389</b>	<b>56,686</b>

Sources: (1) City Vacant Residential Land Use Inventory, City Planning Division Staff, 1991.  
(2) Population and Housing Data by Community Plan Area, March 1991.  
(3) Sacramento Central City Housing Strategy Study, December 1990, and Vacant Residential Land Use Inventory, 1991.  
(4) North Natomas Community Plan, May 1994.

\* Data for all community plan areas include City areas only.

An additional 17,996 housing units could be built citywide if development occurred at maximum capacity under the community plans.

NA: Data not available.

### 5.3 1995 SACOG INVENTORY OF RESIDENTIALLY ZONED VACANT LANDS

A second inventory of vacant residential lands was developed by SACOG using a computer run of the Assessor's site use code information for vacant and cross tabulating this with all residential zones in the City. As noted above, this inventory does not include 3,148 acres of land designated (Community Plan) for residential uses in the North Natomas area, but not yet re-zoned for residential uses. Additionally, this inventory does not identify residentially zoned parcels which are substantially vacant and under-utilized which could be developed for more intense residential uses. Table 5-2 summarize the results of the SACOG inventory by Community Plan area. Build-out for acreage is based on average density by zoning as reported in Table 5-4b of this Chapter.

**Table 5-2**  
**CITYWIDE RESIDENTIAL HOLDING CAPACITY POTENTIAL OF VACANT LAND**  
**BASED ON 1995 SACOG VACANT RESIDENTIAL LAND INVENTORY**  
**(Residentially Zoned Lands)**

COMMUNITY PLAN AREAS*	VACANT GROSS ACRES	VACANT NET ACRES	PERCENTAGE OF AREA BUILT OUT <sup>2</sup>	POTENTIAL DWELLING UNITS		
				Single Family	Multi- Family	TOTAL
Airport Meadowview	802.1	601.6	67%	5274	856	6130
Arden-Arcade	44.93	42.68	97%	321	141	462
Central City	16.82	15.92	97%	19	596	615
East Broadway	104.9	99.65	94%	597	381	978
East Sacramento	9.77	9.3	98%	43	98	141
Land Park	25.5	24.2	98%	150	70	220
North Natomas	273.27	205	1%	1508	14	1522
North Sacramento	540.34	421.5	48%	2423	1406	3829
Pocket	222.77	169	89%	1279	300	1579
South Natomas	219.06	175.25	75%	964	1046	2010
South Sacramento	889.3	693.42	65%	4063	2597	6660
<b>Citywide Total</b>	<b>3148.77</b>	<b>2457.52</b>	<b>69%</b>	<b>16641</b>	<b>7505</b>	<b>24146</b>

NOTES: Build-out assumptions are based on the typical or average (not maximum) density for each zone as described in Table 5-4-b. Single Family includes land zoned R-1 (6.8 units/acre); R-1A (10 units/acre); R-1B (16.4 units/acre); RD-2 and RE (both at 2 units/acre) and RD-7 (7 units/acre). Multifamily includes land zoned: R2A (17.4 units/acre); R2B (21.8 units/acre); R-3 (27 units/acre); R-3A (34 units/acre); R-4 (45 units/acre); R-5 (80 units/acre) and RO and RMX both at 36 units/acre.

## 5.4 COMPARISON OF VACANT LAND INVENTORIES

As can be seen by comparing the two inventories, the General Plan and Community Plans designate an additional 4,822 acres for residential development than is currently zoned. This is due in part to the fact that the City of Sacramento is a Charter City which is not required to have zoning be immediately consistent with the General Plan or applicable Community Plan upon the adoption of , or amendments to, such plans. In appropriate situations, the City initiates and processes on its own the rezoning of parcels to be consistent with the current General Plan or applicable community plan; in other situations, rezoning to achieve consistency is included as one of the approvals required for individual development projects. There is a general requirement that zoning be consistent with the General Plan and community plan at the time of approval of one or more discretionary entitlements for development projects.

It is nonetheless a policy of the City to ensure that development is consistent (including the required zone changes) at time of development application. The greatest difference occurs in North Natomas where 3,148 acres have recently been designated for residential development, but are not yet rezoned. The reason for this is the City policy for the North Natomas are to delay rezoning until certain financing arrangements and State mandated habitat and endangered species agreements are approved and in place. Similarly, there are sections of North Sacramento and South Sacramento which are designated for residential development in the Community Plan, but are not yet rezoned.

Total build-out comparisons between the inventories is summarized below:

	Single Family DU's	Multi Family DU's	TOTAL
City 1991 Inventory by General/ Community Plan	33,297	23,389	56,686
SACOG 1995 Inventory by Zoning	16,641	7,505	24,146
Difference	16,656	15,884	32,540

Once again, this difference is largely attributable to land designated but not yet rezoned in the North Natomas area. Of the 32,540 unit difference in build-out between the two inventories, 30,168 units are in the North Natomas area, and the balance is attributable to infill housing spread through-out the City.

Overall, the City is maintaining a reasonable balance of density in the land inventory. By



General/Community Plan designation, approximately 40% of the projected build-out of vacant lands is multi-family and 60% single family. By zoning 31% of the projected build-out is multi-family and 69% would be single family. This is roughly approximate with the current balance of housing stock in the City which is 33% multi-family and 67% single family.

## **5.5 RELATIONSHIP TO POTENTIAL CONSTRAINTS AND PUBLIC FACILITIES**

As required under State law, sites identified for residential development in the City were analyzed to determine their relationship to public facilities, services and existing or potential physical constraints to the land. Those constraints are considered moderate or significant depending on possible mitigation measures and costs. Moderate constraints include higher ambient noise and irregular parcel configurations. Innovative site planning and the use of certain materials could help mitigate those constraints.

Significant constraints such as site contamination from hazardous materials and the risk of flooding, on the other hand, are more difficult to mitigate because of the expense and amount of time associated with the mitigation. The City is taking additional measures to address those constraints which could significantly impact housing development.

### **Noise Constraints**

The Health and Safety Element of the General Plan identifies major freeways, railroads and various regional airports as the three major noise sources in the City of Sacramento. Staff found that those transportation-related noise sources could have an impact on approximately 6,061 potential housing units. However, possible mitigation measures make this impact a moderate constraint. Noise-producing sources do not preclude development since, in most cases, developers could mitigate potential noise problems to acceptable levels through site planning and construction modifications. Sacramento often offsets marginal costs incurred through better construction techniques and the use of noise-reducing or noise-eliminating materials by offering financial incentives to developers of infill sites. Those incentives include reduced planning fees, water development fee waiver, flexibility of development standards and density bonus.

Table 5-3 shows the number of potential units that could be built on vacant land under moderate noise constraints. The General Plan designates the majority of those vacant residential sites for low density housing development. The table also shows the housing capacity of vacant sites that have no constraints and those constrained by flooding. This information is cross-referenced by community plan land use designation.

### **Flood Constraints**

**Background:** Based on new hydrologic data gathered from storm and flood events in 1986, the Federal Emergency Management Administration (FEMA) prepared new flood maps that indicated that approximately 2/3 of the City of Sacramento was located within a 100-year floodplain. In response, an interim flood designation was provided by FEMA in 1989 that classified the entire 100 year floodplain within the City as A-99. This designation



allowed unrestricted development within the floodplain with the understanding that adequate progress would be made to provide 100 year flood protection.

In 1990, the City Council approved a citywide flood policy that placed restriction on both residential and non-residential development in North and South Natomas.

The A-99 flood plain designation is expected to be replaced by a proposed new flood zone designation of AR. It is intended for communities, such as Sacramento, where a certified 100-year or greater flood protection system had been de-certified due to updated hydrologic or other data. This zone will allow development to continue, with some restrictions, while progress is made toward achieving 100 year flood protection. The primary restriction is that residential development will be required to be constructed a minimum of three feet above adjacent grade. Like the A-99 zone, this zone is also temporary and will expire five years from the date of classification or when certification of 100 year flood protection is obtained.

The AR zone will contain two geographic categories: "Developed" and "Undeveloped". The AR flood zone regulations, as currently proposed, would require that new development (residential and non-residential), and substantial improvements to development within "Developed" areas (outside of North Natomas) be required to be built three (3) feet above the adjacent grade. Development within the "Undeveloped" areas (North Natomas) will be subject to FEMA development standards which require either that the lowest floor of a structure be raised to a level one foot above the base flood elevation or that a structure be designed and constructed to be "water tight".

**Natomas Flood Protection Status:** A local flood control project under the direction of the Sacramento Area Flood Control Agency (SAFCA) is expected to be completed by early 1997. Once this project is completed, it is anticipated that North and South Natomas will have a 100-year level of flood protection. Once the 100-year level of flood protection is achieved, the FEMA flood insurance rate maps will be revised by FEMA and the City will allow residential development to occur in the Natomas area.

**Citywide Flood Protection Status:** The remainder of the City currently has approximately 70-year flood protection. In 1995, SAFCA developed a preliminary plan for the re-operation of Folsom Dam to provide the remainder of Sacramento with 100-year flood protection. SAFCA is negotiating with the Bureau of Reclamation for a long term re-operation agreement that would be certified by FEMA. SAFCA is also currently pursuing permanent, certified flood protection through the dam on the American River near Auburn. Once certified 100-year flood protection is provided, the City may allow development to occur without strict development requirements.

The City is currently in the process of developing a comprehensive flood plan. That plan will include information regarding: emergency preparedness, emergency evacuation, public education and awareness, and development guidelines for projects located within a flood plain. In addition the plan will identify the City's efforts to encourage homeowners to purchase flood insurance, even after a 100-year level of protection is provided.

This policy does not apply to other areas outside of Natomas within the 100-year floodplain.

As shown in Table 5-3, potential flood risks constrain an additional 2,498 housing units on vacant land outside of South and North Natomas. Residential development on those sites, however, is not restricted by the Land Use Planning Policy Within the 100-Year Floodplain.

**Table 5-3**  
**CITYWIDE DISTRIBUTION OF POTENTIAL HOUSING BY ENVIRONMENTAL CONSTRAINT**

Community Plan Land Use Density Categories	Non-Constrained Units			Moderately Constrained Units (Noise)			Significantly Constrained Units (Flood - Not Subject to Building Restrictions)			Significantly Constrained Units (Flood - Subject to Residential Building Restrictions)		
	SF	MF	Total	SF	MF	Total	SF	MF	Total	SF	MF	Total
Very Low 1-4 du/na	91	10	101	0	0	0	99	11	110	261	0	261
Low 3-6 du/na	590	15	605	85	4	89	0	0	0	0	0	0
Low 5-8 du/na*	3,726	336	4,062	2,083	179	2,262	1,266	97	1,363	9,341	1,536	10,877
Low 7-15 du/na	4,462	1,395	5,857	1,917	1,050	2,967	139	39	178	775	693	1,468
Medium 7-21 du/na*	0	0	0	0	0	0	0	0	0	6,569	2,815	9,384
Medium 11-21 du/na	402	2,341	2,743	66	491	557	59	344	403	4	36	40
Medium* 11-29 du/na	52	710	762	15	135	150	133	311	444	561	10,657	11,218
High 16-29 du/na	15	359	374	2	34	36	0	0	0	0	0	0
High 30 + du/na	0	239	239	0	0	0	0	0	0	0	0	0
<b>Grand Total</b>	<b>9,338</b>	<b>5,405</b>	<b>14,743</b>	<b>4,168</b>	<b>1,893</b>	<b>6,061</b>	<b>1,696</b>	<b>802</b>	<b>2,498</b>	<b>17,511</b>	<b>15,737</b>	<b>33,248</b>

\* Includes North Natomas residential categories, based on General Plan and Community Plan inventory.

## **Public Facilities and Services**

It is the City's continuing policy to require adequate public facilities and services for all residential development. This is not considered a significant constraint because Sacramento is well-served by public facilities which encompass water, sewer, drainage and transportation. Efforts are underway to improve or extend services in those areas which lack them and, therefore, allows the extension of services to be cost effective. In some cases cost effectiveness can increase where density bonuses and fee reductions are giving for infill development.

In order to adequately serve the remaining residential holding capacity, the City encourages private developers to upgrade existing water facilities or extend the nearest transmission or distribution systems. The City is currently extending existing water systems in certain areas of Sacramento. New and improved facilities will be able to serve future residents in the Natomas area with the City's revision of its flood policy requirements. The second phase of the North Natomas Water Transmission Main and further improvements within the Natomas West Assessment District will also serve future city residents.

The City Flood Control and Sewer Division is in the process of preparing a facilities master plan to define and assess critical sewer and drainage system areas throughout Sacramento. The plan will prioritize critical areas based on urgency and cost effectiveness of required facilities. It will also establish a 10 - 20 year long term rehabilitative program for existing storm drainage and sewer facilities. In areas lacking storm drains or sewers, the program would require private developers to extend needed facilities at their own expense. Additionally, because the "older" portions of the City of Sacramento are served by an antiquated combined sewer system which does not meet EPA standards, this century old system is scheduled for renovation, most probably financed through an assessment district. Although final financing plans and costs are not established, this may have an impact on the fee and assessment structure of infill and reuse sites served by the system.

## **5.6 ZONING RELATIONSHIP TO SITES**

Table 5-4a shows dwelling unit potential according to designated land uses and zoning for the urban growth communities containing the majority of vacant land. All development projects in the City of Sacramento are subject to zoning regulations in the City Zoning Ordinance and are required to be consistent with the goals and policies of the General Plan and any applicable community plan. Table 5-4b shows the range of densities allowed by zoning, the typical density which is developed in the City, and zoning categories consistent with community and general plan designations.



**Table 5-4a**  
**INVENTORY OF RESIDENTIAL LAND AVAILABLE IN GROWING COMMUNITIES**

Community Plan Land Use Designation	Vacant Net Acres	Minimum Housing Potential	Consistent General Plan Designations	Consistent Zoning Districts*
Very Low Density (Rural Estates) 1-4 du/na	331	333	Very Low	R-E
Low Density 3-6 du/na	138	694	Low	R-1, R-2, R-1A, R-1B
Low Density 5-8 du/na	2879	18202	Low	R-1, R-2, R-1A, R-1B
Low Density 7-15 du/na	1251	9083	Low	R-1, R-2, R-1A, R-1B
Medium Density 7-21 du/na	638	8207	Medium	R-2A, R-2B, R-3
Medium Density 11-21 du/na	328	3743	Medium	R-2A, R-2B, R-3
Medium Density 11-29 du/na	611	14418	Medium	R-2A, R-2B, R-3
High Density 16-29 du/na	25	410	Medium	R-2A, R-2B, R-3
High Density 30+ du/na	8	239	High	R-3A, R-4, R-4A, R-5 R-O**
<b>TOTAL</b>	<b>6209</b>	<b>55329</b>		

Source: Vacant Land Inventory Update, 1991.

\* Based on 1988 General Plan Update

\*\* Office and limited neighborhood commercial uses are permitted in the R-O (Residential-Office) zone subject to restrictions. Zoning modifications are proposed to restrict office development in the Central City R-O zones and increase housing capacity.

Growing Communities: Airport Meadowview, North Natomas, North Sacramento, Pocket, South Natomas & South Sacramento

**Table 5-4B  
TYPICAL DENSITY BY ZONING DESIGNATION**

Zoning	Vacant Ac. By Zoning	Vacant Ac. By General Plan	Typical Density per Net Acre*	Maximum Density per Net Acre	Consistent General Plan Designation	Consistent Community Plan Designations
R-E <sup>1</sup>	26.3	331	1.0	4.0	VERY LOW	Very Low Density (Rural Estates) 1-4 du/na
RD-2 <sup>1</sup>	62		2.0	2.0	VERY LOW	Very Low Density (Rural Estates) 1-4 du/na
R-1 <sup>1</sup>	1394	4,268	6.8	8.4	LOW	Very Low Density (Rural Estates) 1-4 du/na
RD-7 <sup>1</sup>	219.96		7.0	7.0	LOW	Very Low Density (Rural Estates) 1-4 du/na
R-1A <sup>1</sup>	1032		10.0	8.4	LOW	Very Low Density (Rural Estates) 1-4 du/na
R-1B <sup>1</sup>	1.5		16.4	N/R	LOW	Very Low Density (Rural Estates) 1-4 du/na
R-2 <sup>1</sup>	0		10.4	16.8	LOW	Very Low Density (Rural Estates) 1-4 du/na
R-2A <sup>1,2</sup>	135.51		17.4	17.4	MEDIUM	Med. Dens. 7-21 du/na, 11-21 du/na, 11-29 du/na & High Density 16-29 du/na
R-2B <sup>1,2</sup>	201.6	1,577	21.8	21.8	MEDIUM	Med. Dens. 7-21 du/na, 11-21 du/na, 11-29 du/na & High Density 16-29 du/na
R-3 <sup>1,2</sup>	44		27.0	29.0	MEDIUM	Med. Dens. 7-21 du/na, 11-21 du/na, 11-29 du/na & High Density 16-29 du/na
R-3A <sup>1,2</sup>	8.5		34.0	36.3	HIGH	High Density 30+ du/na
R-4 <sup>1,2</sup>	12.2	33	45.0	58.0	HIGH	High Density 30+ du/na
R-4A <sup>1,2</sup>	0		45.0	58.0	HIGH	High Density 30+ du/na
R-5 <sup>1,2</sup>	1.22		80.0	174.2	HIGH	High Density 30+ du/na
R-O / RMX <sup>1</sup>	10.14		36.0	36.3	HIGH	High Density 30+ du/na

\* Estimate based on historical application trends

\*Zoning acreage do not add up to General Plan acreage due to areas such as North Natomas which have not yet been rezoned for consistency with the General Plan/Community Plan

1 Single Family residential permitted by right

2 Multiple family residential permitted by right

### **Mobile Homes/Mobile Home Parks**

In keeping with State law, the Zoning Ordinance permits mobile homes on permanent foundations in the same residential zones as single family dwellings. Those mobile homes are required to follow the same development standards that apply to single family dwellings. The land inventory category for single family housing includes potential mobile homes and mobile home parks.

Sacramento allows mobile home parks in most residential and nonresidential zoning districts subject to the granting of a special permit by the Planning Commission. In addition, the Zoning Ordinance currently regulates the development and maintenance of mobile home parks. The regulations restrict mobile home parks to a minimum five-acre site and a maximum density of ten mobile home spaces per acre. The only zone in which mobile home parks development cannot occur is the R-1B zone, a Central City zone for single or two-family units.

### **Emergency Shelter and Transitional Housing for the Homeless**

Sacramento permits emergency shelters for the homeless in all zones with special permit review and approval. In the recent past, some residents and community organizations criticized the City for over-concentrating shelters and supporting services for the homeless in inner-city neighborhoods. They requested review of relevant policies and regulations that dealt with the location of emergency shelters. In response to these concerns, a task force has been established to investigate distribution of care facilities. Part of that effort included completion of an inventory of the emergency shelters and supporting social services. As follow-up, staff is categorizing the various types of care and social services facilities, analyzing their distribution, and developing criteria for location of shelters and services. One objective of this effort is to facilitate the development of emergency shelters, support services to assist the homeless, and other major care facilities.

## **5.7 POSSIBLE ACTIONS TO INCREASE HOUSING SUPPLY AND DIVERSITY**

There are various actions which the City could undertake to increase its housing supply and encourage development of diverse housing types throughout Sacramento. Those actions are discussed later in this Update. Housing supply and diversity could also be achieved by completing ongoing reuse/redevelopment and annexation studies and identifying housing opportunities adjacent to the light rail transit corridors.

### **Sites for a variety of housing types: Large parcels of vacant residential land**

A variety of housing types contributes towards neighborhood stability by offering more affordable and move-up homes and accommodating a diverse income mix. The City could promote affordable housing opportunities for all households by requiring a mixture of housing types and styles throughout the City on large contiguous parcels of land. Table 5-5a shows 165 parcels within the City comprising ten or more acres in the outlying growing communities. The

residential land inventory showed few undeveloped parcels over 40 acres remaining in Sacramento.

Although not inventoried, there might also be contiguous smaller parcels of vacant land comprising a minimum of ten acres that would be appropriate for multiple housing types. However, circumstances (such as multiple owners) might interfere with application of this policy to smaller abutting parcels.

**Table 5-5a**  
**LARGE VACANT RESIDENTIAL PARCELS OF LAND IN GROWING COMMUNITIES**

NUMBER OF LARGE PARCELS BY COMMUNITY AND ACREAGE				
COMMUNITY PLAN AREAS	10-19 ACRES	20-29 ACRES	30 ACRES OR MORE	COMMUNITY SUBTOTAL
Airport Meadowview	11	5	7	23
North Natomas	29	28	37	94
North Sacramento	4	4	2	10
Pocket	3	0	0	3
South Natomas	22	2	2	26
South Sacramento	7	1	1	9
<b>TOTAL</b>	<b>76</b>	<b>40</b>	<b>49</b>	<b>165</b>

Source: City Vacant Land Use Inventory, City Planning Division Staff, 1991.

Various adopted community plans contain policy recommendations to provide a mixture of housing types in large residential subdivisions. Each community plan addresses circumstances unique to its area which might affect implementation of the housing type requirement. For instance, the 1986 South Sacramento Community Plan proposes diversification of housing types with the intention of addressing unmet housing needs of households at both ends of the income spectrum. The Plan assumes that more variation in housing type would offer diversity in housing price, style and size, thereby diversifying the existing landscape of predominantly entry-level homes in South Sacramento. Plan policy requires developers to provide two or more housing types for projects of 20 or more acres, and three or more housing types for projects comprised of parcels 30 or more acres.

The 1988 South Natomas Community Plan contains similar requirements to promote a variety of housing types in residential subdivisions of 20 acres or more. The multiple housing type policy for South Natomas also promotes upscale housing. To ensure neighborhood diversity and stability, the City Council established guidelines for proportions of housing types in large subdivisions and residential projects. The plan requires three or more housing types in medium and high density projects of 30 gross acres or more. Two or more housing types are required in medium and high density residential projects of 20 to 29 gross acres. The Council amended



the plan in May 1993 to require developers of new low density housing to provide upscale housing through lower densities or additional amenities via the PUD process. Because of the high percentage of multi-family rental housing in South Natomas, the City Council amended the plan to encourage development of single family and ownership housing.

The North Natomas Community Plan, updated in 1994, contains policy requiring a variety of housing types in each neighborhood. As a guideline to ensure that variety, the maximum percentage of any dominant housing type should be 85 percent of the units in a project and the minimum of any minor housing type should be 5 percent. Homebuilders are encouraged to be innovative and responsive to changing lifestyles of future residents and trends towards transit, telecommuting and zero emission vehicles. The ongoing planning effort for North Natomas is expected to reinforce the housing type diversity policy.

Although certain communities might have circumstances outweighing the need to provide housing type diversity, the City should consider a multiple housing type policy on smaller parcels. As available land in Sacramento becomes scarcer, the City should consider adopting policy requiring housing type diversity for projects of ten acres or more. Given the City's parcelization pattern, restricting this policy to large parcels (20-30 acres or more) would have a limited application and result in fewer residential subdivisions with a mix of housing choices.

### **Potential Supply From Redevelopment Land Use Plans and Annexation Proposals**

There is a potential for more than 18,000 additional housing units to be developed over the next 35 years based on several proposed studies currently under consideration. This potential housing supply is based on approved land use plans adopted by the City Council. Table 5-5b shows the maximum potential supply of housing that could be available in Sacramento over the next 35 years through adoption of land use studies, redevelopment or annexation. Each of these areas will require further policy consideration and appropriate environmental review by the Council before final action can be taken.

**Table 5-5b  
LONG RANGE MAXIMUM POTENTIAL HOUSING CAPACITY OF MIXED USE,  
REDEVELOPMENT AND ANNEXATION SITES**

<b>Proposed or Ongoing Studies/Actions</b>		<b>Number of Potential Units</b>
<b>Central City Studies</b>	Southern Pacific Railyards	2,700
	Richards Boulevard Area	3,860
	Central City Housing Strategy/R Street	3,300
<b>Annexations</b>	Jacinto Creek	2,365
	North Natomas Sphere Portion*	3,359
	Shorebird/Sand Cove* (South Natomas portion)	508
<b>Total</b>		<b>16,092</b>

Source: Department of Planning and Development plans and studies.

\* Studies pending further consideration by City Council.

The majority of the key redevelopment sites are in the Central City and are the subject of four separate planning studies focussing on redevelopment: Southern Pacific Railyards Specific Plan, Richards Boulevard Area Plan, R Street Corridor Plan and Central City Housing Strategy Study. The first two studies involve the redevelopment of industrial land to mixed uses. The R Street Study and Housing Strategy have identified several actions the City and the Sacramento Housing and Redevelopment Agency could undertake to preserve existing housing and increase the area's housing capacity. The R Street Corridor Plan and zoning, and first phase of the implementation program for the Housing Strategy has been adopted.

The major reuse project is the development of the Southern Pacific Railyards and Richards Boulevard Redevelopment Area. This long-term development is beyond the five-year scope of the element's planning period. However, the eventual redevelopment of this industrial area offers a singular opportunity to significantly increase housing in the Central City, and thereby strengthen downtown Sacramento's role as a place to live and work. The Southern Pacific Railyards Master Plan devotes approximately 32 acres of land to residential use for a potential of 2,700 housing units while the adjacent Richards Boulevard area has a potential maximum capacity of 3,860 new housing units.

The balance of the Central City and R Street could accommodate an estimated 3,300 maximum additional units through implementation of the Central City Housing Strategy Study. Implementation of the Strategy entails rezoning and plan amendments to 1) increase the supply of residential land, 2) promote housing in neighborhood commercial corridors through entitlement and fee incentives and 3) ensure that new commercial development within or adjacent to residential neighborhoods is compatible in terms of size, scale and use. Another implementation measure for the Central City Housing Strategy allows residential by right in some commercial zones rather than by the special permit process. That measure involves creation of a neighborhood corridor overlay zone that would encourage integration of housing in neighborhood commercial areas. Implementation of these measures will mitigate some governmental constraints that might discourage housing development due to lengthy and costly permit processing.

Other redevelopment efforts in the Central City could produce additional homes. Reuse of the R Street Corridor, increasing densities of specific sites and rezoning other sites to residential is expected to result in additional units. Modification of the Zoning Ordinance to permit mixed use in designated parts of downtown could also help meet local housing needs.

Besides the Central City, Sacramento has other reuse sites. Most of them are underutilized nonresidential land that could undergo development within a five-year time frame. Pending and anticipated annexation proposals will also result in additional residential land for the City within the next five years. The City recently annexed the 398-acre Jacinto Creek special planning area which could accommodate approximately 2,400 housing units. Planning for the future uses of that area is currently underway.

The City encourages the development of mixed use projects, particularly those within close proximity to public transit facilities, which offer the possibility of additional housing. That approach would provide housing on otherwise nonresidential sites. In addition to new construction of mixed use projects, conversion of single use projects to commercial and



residential uses could achieve the City's overall housing, employment, and air quality goals. The City has recently rezoned sites within the Central City to encourage development of housing in conjunction with commercial uses. For example, development along the predominantly commercial Alhambra corridor requires that a minimum amount of housing be built.

### **Potential Residential Opportunities Within Light Rail Corridors**

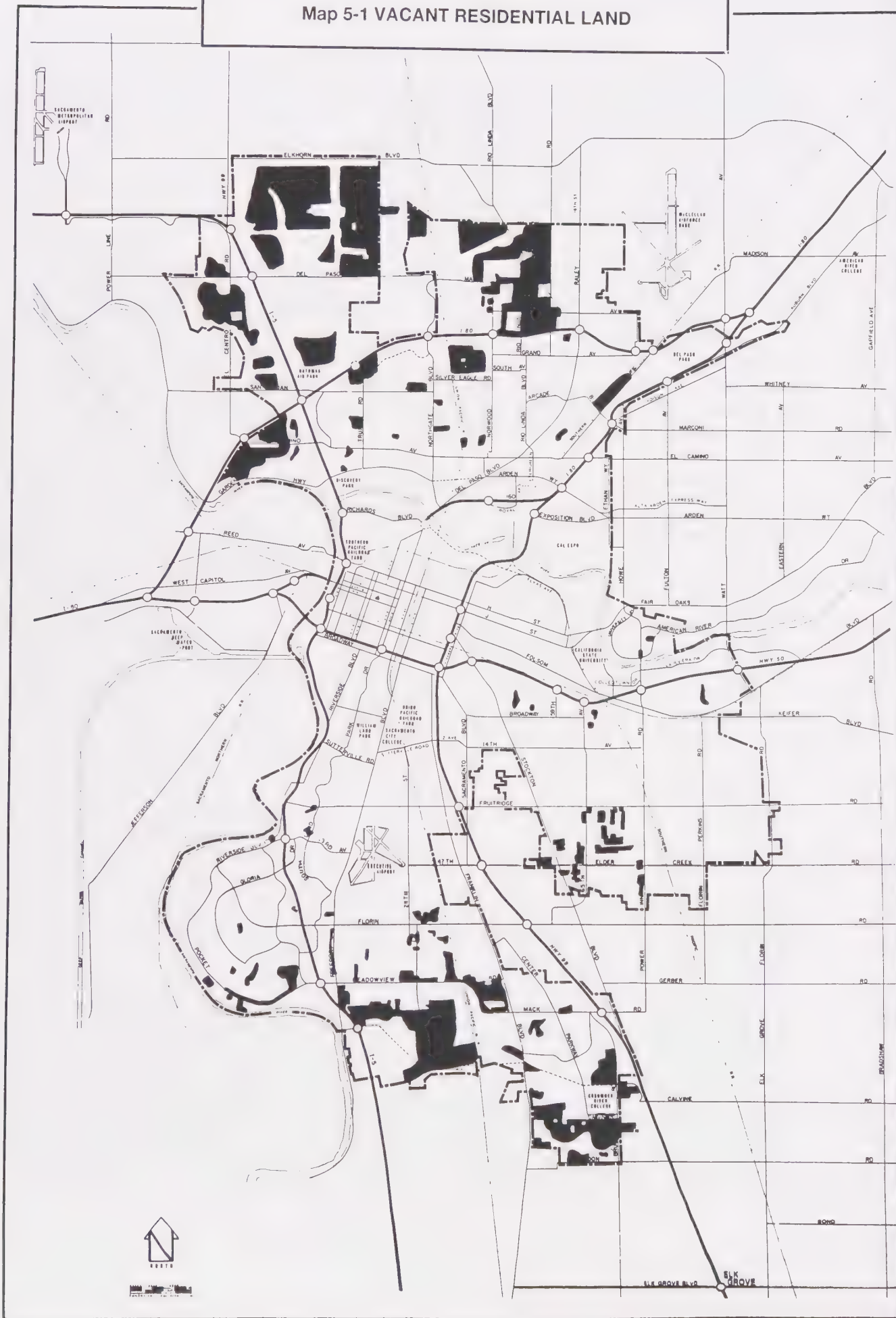
The City is considering ways to satisfy market demand for lower density single family subdivisions while preserving sites for medium and higher density housing. One solution would be to maximize housing density near transit. In addition to meeting housing need, this land use strategy would promote transit usage and other alternative modes of transportation. Some sites within close proximity (quarter to half-mile radius) to existing and future public transit stations might be appropriate for higher residential densities. Higher densities and mixed use projects within close walking distance of transit centers are more efficient land uses that support public transportation and air quality objectives.

Table 5-5c on the following page shows additional housing units that could be built if the City required development of vacant residential parcels within a ½ mile radius of light rail stations (both existing and proposed) to occur at the density mid-range of the current land use designation. The remainder of vacant residential land in the community plan area is assumed to be developed at the minimum density of the existing land use designations. The table shows the increased density potential along light rail extensions for the growing communities in the vacant land inventory update. However, the City could apply this policy to other communities which have existing or future light rail stations. North Sacramento neighborhoods with existing light rail stations are currently the focus of an intensive planning process to promote revitalization and transit use.

The projected holding capacity for vacant residential land in Airport Meadowview, North Sacramento, Pocket, South Natomas and South Sacramento is 24,089 housing units. By developing at mid-range densities within a half-mile radius of light rail stations, there is a potential yield of 3,922 additional housing units which would give the City an opportunity to better accommodate its housing needs and achieve air quality and transportation objectives. An eighth or quarter-mile radius for more intense development might be more feasible than a half-mile radius. The mid-range density was previously mandated by the 1993 North Natomas Community Plan. Therefore the anticipated number of dwelling units from future development in North Natomas was already included in the vacant land/potential unit calculations and not included in the potential yield calculations.

Regional Transit's Draft Transit Master Plan identifies preferred standards for compatible land uses around light rail stations and requires minimum residential densities within transit corridors and stations. As a way to improve transit system usage, Regional Transit calls for strengthening the link between land use patterns and the transit system. (Sacramento Regional Transit District, Transit Master Plan, April 1993, pp. 7-3). The City could consider Regional Transit's objectives to increase the potential transit market. Separate analysis and study of each area within a specific radius of light rail could identify opportunity sites for housing, mixed use or other compatible uses.

# Map 5-1 VACANT RESIDENTIAL LAND





## **Other Potential Sites**

Older industrial areas and future office/commercial sites in Sacramento have housing potential and warrant exploration. The Union Pacific Railyard, a former industrial area adjacent to an existing residential neighborhood, is an ideal housing and mixed use site. There are other sites throughout the City, especially in older neighborhoods, that have similar outmoded uses with residential reuse potential. In addition, nonresidential sites, such as Delta Shores in the Airport Meadowview area, offer additional potential opportunity for mixed residential and nonresidential use.

TABLE 5-5c

**REGIONAL TRANSIT INCREASED DENSITY RESIDENTIAL HOLDING CAPACITY POTENTIAL  
OF VACANT LAND IN GROWING COMMUNITIES**

COMMUNITY PLAN AREA	VACANT GROSS ACRES	VACANT NET ACRES	Potential Dwelling Units								
			Minimum Potential			Additional Units at Light Rail			Total Units		
			SF	MF	Total	SF	MF	Total	SF	MF	Total
<b>Airport Meadowview</b>	1,093	824	3,827	1,297	5,124	1,686	663	2,349	5,513	1,960	7,473
<b>North Sacramento</b>	1,526	1,191	5,092	2,134	7,226	219	109	328	5,311	2,243	7,554
<b>Pocket</b>	282	216	945	736	1,681	67	7	74	1,012	743	1,755
<b>South Natomas</b>	618	496	2,181	899	3,080	119	69	188	2,300	968	3,268
<b>South Sacramento</b>	1,011	790	3,843	3,135	6,978	699	284	983	4,542	3,419	7,961
<b>TOTAL</b>	4,530	3,517	15,888	8,201	24,089	2,790	1,132	3,922	18,678	9,333	28,011

Source: City Vacant Land Use Inventory, City Planning Division Staff, 1991.

## SUMMARY OF RESIDENTIAL LAND POTENTIAL

Overall the City is making an effort to balance the supply of residentially zoned land with logical economic development growth typical of a major regional office and commercial center. In the past some loss of housing land has been converted to other uses. This has been a concern to the City, and the City has made an assessment of the impact of these losses relative to the gain in residential lands currently included in pending or adopted plans. Table 5-6 below summarizes these findings:

**Table 5-6**  
**1985 to 1996 Housing Supply Change**

<u>Housing Loss:</u>	Downzonings	-1800 net units (-2500 multi-family units)
<u>Remaining Existing Zoning Capacity:</u>	Vacant Residential Zoned Lands	+24,143 units
<u>Lands Designated (General/Community Plan) for residential but not yet zoned</u>		+32,540
<u>Recently Adopted Increases:</u>		
	R Street Corridor	+ 2,400
	Southern Pacific	+ 2,700
	Richards Blvd.	+ 3,860
	Jacinto Community Plan	+ 2,400
	Annexations/Sand Cove	+ 508
	TOTAL:	+68,551
<u>Potential Increases:</u>	North Natomas	
	Sphere of Influence	+3,359 units
	Central City	+ 600 units
	Union Pacific	+ unknown at this time
	LRT Stations	+3,922

As can be seen, despite the fact that the City has lost some residential holding capacity through downzonings, the City has also substantially increased capacity. This coupled with the existing land inventory should be adequate to meet both current and future housing supply goals. With

respect to affordability, the goals and policies section includes a number of programs transit oriented density housing, and mixed use and infill housing to ensure a range of housing type and affordability.

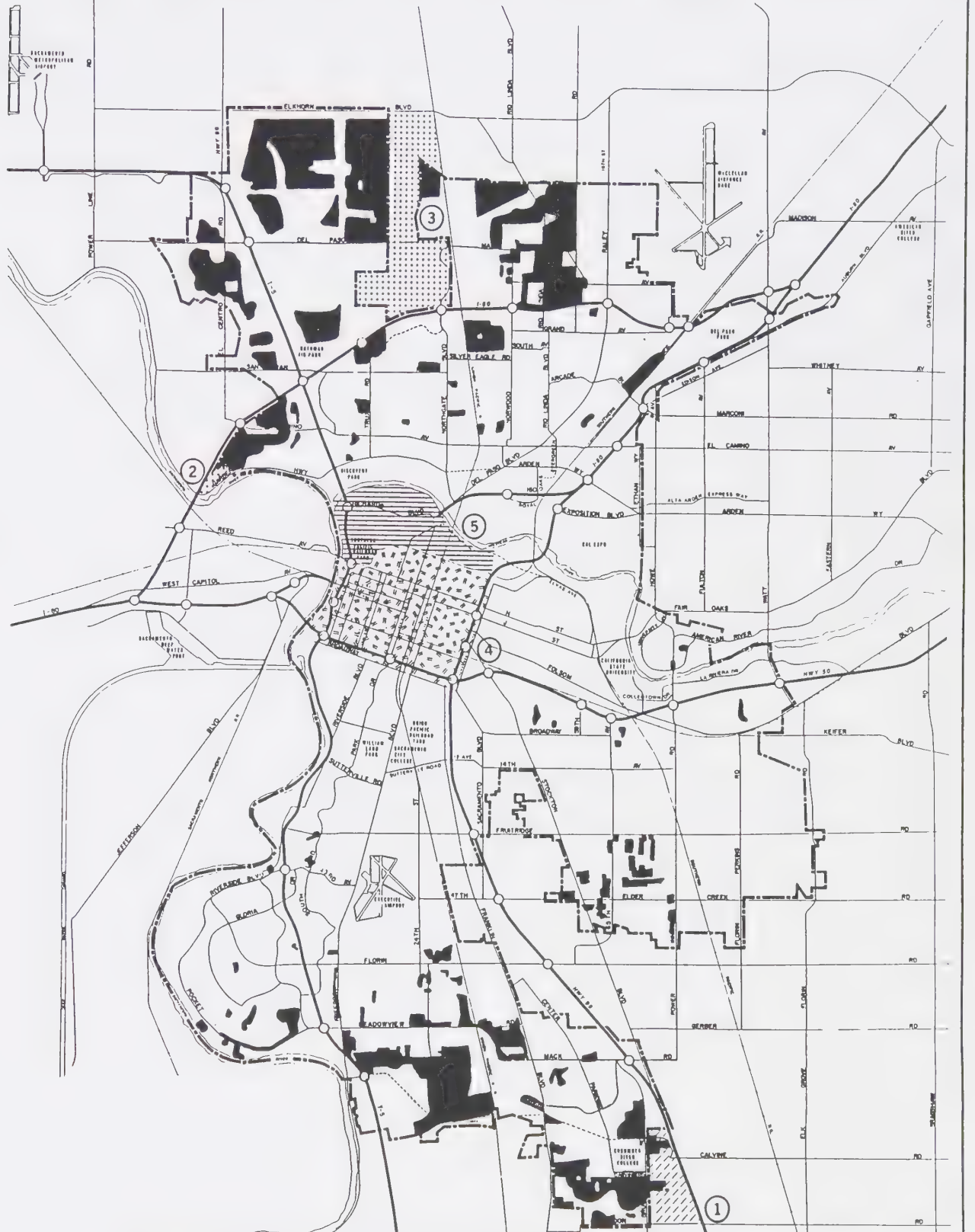
The SACOG Fair Share Housing Production goal for the City of Sacramento is 16,751 new units overall. Currently the City has vacant residentially zoned lands capable of supporting 24,143 new units. This count excludes approximately 28,646 additional units planned for the North Natomas are not yet zoned for residential due to flood constraints and other issues, as well as recently planned re-use areas. Nonetheless, it is anticipated that development may occur in the near term (next three to five years) in the North Natomas area.

Of the 16,751 units included in the Fair Share Plan, SACOG has set the goal of 2,519 new units affordable to very low income households and 2,793 new units affordable to low income households. The total for lower income households is 5,312 units. The City must also ensure that adequate low to medium density and multi-family sites are properly zoned to meet this need. Under current zoning, the City has capacity for at least 7,505 new multi-family units which is more than adequate capacity to meet existing and future low income housing production goals.

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# Map 5-2 LONG RANGE HOUSING OPPORTUNITY



## POTENTIAL HOUSING UNITS

1. Jacinto Creek	2,365 Units
2. Shorebird/Sand Cove	508 Units
3. North Natomas Annexation	3,334 Units
4. Central City Balance	3,300 Units
5. Southern Pacific/Richards	6,460 Units









## **6. GOVERNMENTAL AND NONGOVERNMENTAL CONSTRAINTS**

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### **GOVERNMENTAL CONSTRAINTS**

Analysis of potential and actual governmental constraints should identify barriers to the maintenance, improvement and development of housing for all income levels. Those constraints include land use policies and controls, site improvement requirements, building codes and their enforcement, city processing and permit procedures, fees and exactions. The following analysis indicates that the permit procedures, development standards and fees provide some potential governmental constraints to the provision of adequate housing opportunities.

#### **6.1 LAND USE CONTROLS**

The City of Sacramento exercises discretionary authority over the residential land use entitlement process. This is accomplished through implementation of the General Plan, Community Plans and the Zoning and Subdivision Ordinances.

The General Plan establishes the framework for residential development in the City through policies of the Land Use Element, Housing Element, Circulation Element, Conservation and Open Space Element, Public Facilities and Services Element, Health and Safety Element, and the Land Use Map. During the project approval process, the various elements of the General Plan are designed to work in concert with each other. The General Plan facilitates the adequate provision of housing, while attaining many other important public objectives.

A potential constraint to the suitability of residential land exists in the policies and standards of the Noise Section of the Health and Safety Element. Because there are several major noise sources that impact the City, including five freeways, two major railroads, and four commercial and military airports, residential development must frequently mitigate noise impact, to some extent, to conform to the General Plan standards. This may be accomplished through the completion of acoustical studies, construction of sound barriers, and the implementation of various soundproofing construction techniques. The costs associated with these noise mitigation requirements, particularly with infill development, have an impact on housing feasibility and affordability. Although certain areas have been exempted from General Plan Noise Element standards, the majority of potential residential development sites must conform. In the interest of public health, safety and welfare, it is not deemed appropriate to modify or eliminate these standards. However, the City has standardized noise mitigation measures to assist applicants to comply with the environmental review process.

The City's Zoning Ordinance provides for fourteen residential zones which permit a variety of densities and housing types (See Table 5-4b). Seven of the zones permit multi-family residential uses by right. Potential constraints associated with the administration of the Zoning Ordinance setback and parking requirements which are often difficult to apply to infill projects without requiring variances. This is especially applicable in the Central City and other older

neighborhoods with smaller lots. This negative effect can take the form of a financial burden caused by the cost of entitlements. In many ways, the City has taken many actions to streamline the process through the establishment of the Zoning Administrator function which allows for an administrative approval of many smaller projects and variances. Residential development requirements could also result in a decrease in the development potential of a parcel or parcels, thereby indirectly affecting the economic feasibility of a project. In extreme cases, zoning regulations can completely restrict feasible development of a parcel, and require acquisition of adjoining parcels to facilitate development, thereby substantially increasing costs. Finally, the need for entitlements often subjects small projects to the public hearing process, which can result in increased costs and potential denial on the basis of neighborhood opposition.

A potential constraint to the development of manufactured/mobile home parks are standards requiring a net density of ten dwelling units and a minimum site requirement of five acres. Given the limited size and supply of available land in Sacramento, smaller sites may be more appropriate for mobile home parks. The forthcoming update of the City's Zoning Ordinance will include study and consideration to amending the mobile home park regulations.

In an attempt to overcome constraints inherent to conventional development standards, the City is currently implementing the following regulations or taking the following actions:

- Provision of alternative development standards within the R1-A (Single-Family Alternative) Zone. This promotes higher density and more innovative design for single family projects.
- Duplex development on corner lots to promote rental housing opportunities.
- Implementation of the Zoning Administrator process to streamline the project review process by eliminating duplicative public hearings.
- Streamlining the map process through amendment of the Subdivision Ordinance.
- Fee reductions for minor permits were approved.
- The City will update its Zoning Ordinance to reflect classic development standards, streamline permit processing as necessary and clarify the planning process and zoning requirements.

## **6.2 INFRASTRUCTURE STANDARDS**

The Department of Public Works implements on- and off-site improvement requirements, including standards for street construction, sidewalk, curb, gutter and, in some instances, parking and/or bicycle lanes. Residential development may also necessitate the construction of water, sewer and drainage improvements. All improvements are generally completed as conditions of tentative map approval and are developer financed. The compliance with certain

infrastructure improvements may be perceived as a constraint to the provision of housing for all income levels.

Amendment of certain infrastructure standards might facilitate housing development. For instance, residential infrastructure costs could be measurably reduced by reducing requirements for street widths, curb, gutter and side walk widths, as well as requiring sidewalks on only one side of the street. A reduction in street widths and sidewalks could result in an increase in the number of units which could be accommodated on any given parcel of land. This however, must be balanced with fire safety standards to provide adequate emergency access for fire response vehicles. Nonetheless, increased flexibility in street standards would allow greater land area and increased density which would result in a per-lot cost reduction. This savings could ultimately be reflected in the price of housing to the residential consumer.

### **6.3 BUILDING CODES**

The City Building Division has recently streamlined procedures in the interest of reducing approval time frames. The current building permit process incorporates "master plan" review, plan checking prior to actual planning entitlement approval (although no permits are issued without approved entitlements), waiver of issuance of a Certificate of Occupancy for single family housing, and no review of manufactured homes within mobile home parks.

Certain housing rehabilitation projects sponsored by the Sacramento Housing and Redevelopment Agency (SHRA) are exempt from building permit fees. These projects are reviewed pursuant to Chapter 49 of the City Housing Code, which has less restrictive standards than the standard 1991 Uniform Building Code(s) (UBC). General residential construction is required to conform to the current UBC and related Codes, as amended by Chapter 9 of the City Housing Code which addresses regional, climatic or localized site concerns. Aside from rehabilitation projects, the City does not currently have procedures to waive building fees for low income construction projects.

### **6.4 PROCESSING AND PERMIT PROCEDURES**

The intent of the City's housing policy is to encourage and facilitate the development of affordable housing. Facilitation is important in the development process where time is money. One means toward this end is the reduction of development costs through the streamlining of the entitlement process. Two streamlining methods which the City employs are concurrent processing of residential entitlement applications and one-stop permit approval at the permit assistance counter.

Under the first streamlining measure, a developer/applicant may submit an application for various related entitlements at one time. The Department of Planning and Development concurrently processes all related land use entitlement requests in order to expedite the application. All facets of a proposal are scheduled for one public hearing before the Planning Commission. A project, in total, may also be noticed and scheduled for public hearing before the City Council. As an example; an applicant requesting a General Plan Amendment (GPA),



Community Plan Amendment (CPA), rezoning (RZ), Tentative Map (TM), Subdivision modifications (Sub-Mod) and related variances may submit one, all-encompassing application.

Based on an evaluation of several recent project approvals typical of the entitlement review process, the time for residential project approval ranges from approximately three months to six months (from subdivision map, to application submittal, to final approval), depending largely upon the type of environmental review required, site considerations and the level of controversy surrounding the project. Some multi-family projects that are properly zoned and require only a special permit may take less than four months for review and approval. Other projects that involve rezoning for higher density or are located in environmentally sensitive areas take longer time for review and action. The Building Division averages 4-6 weeks to approve residential building permits once subdivision maps are approved.

## **6.5 LOCAL GOVERNMENT FINANCING LIMITATIONS**

Over the past decade, local governments have had increasing difficulty in financing infrastructure improvements and providing essential services to new and existing neighborhoods. The following is a brief summary of the existing constraints to local government financing and the response of local governments to this challenge.

First of all, California's population increased almost 25% from 1980 to 1990. At the same time that this increase was occurring, both the federal and state governments began pulling back on their financial aid for infrastructure maintenance and improvements. For example, according to Californians for Better Transportation, the level of state and federal funding declined 56% from 1969 to 1987. As a result of the state and federal pullout, the responsibility for infrastructure maintenance and improvements fell to local governments.

Secondly, realizing they cannot "go it alone", local governments have begun to approach infrastructure problem-solving on a multi-jurisdictional basis. While this is a more efficient and effective way of dealing with infrastructure and service provision problems, local jurisdictions still face the challenge of raising necessary funds in light of decreased real property tax revenues and state and federal cutbacks. The City of Sacramento has attempted to meet this challenge through the use of several funding mechanisms, including general obligation bonds, benefit assessment and Mello-Roos assessment districts, increased development fees and increased sales taxes. Development fees, one of the easiest ways for local governments to finance infrastructure improvements, are levied on developers as a condition of project approval and do not require voter approval (as do bonds), nor do they count toward a locality's Gann limit. Fees can guarantee a locality that funds will be available to provide adequate services required as a result of development.

The use of development fees has become widespread as localities have realized that fees could fund a wide range of services related to a given development. However, the strong impact that fees have had on the cost of housing prompted the state legislature to act to curb their seemingly unbridled use. Assembly Bill 600 (Cortese) requires localities to establish a reasonable relationship between a development project, the fee amount, and the facility or



service for which the fees are intended.

## **6.6 DEVELOPMENT FEES AND EXACTIONS**

Many variables affect the total amount of development fees charged by the City for a particular housing project. Some of these variables include the following: the total size of the project, lot sizes, sizes of the individual units, the necessity of housing planning entitlements, capital improvements, engineering services, and housing type.

Development permit fees fall into three categories:

1. Fees charged to cover direct City services.
2. Fees charged to finance the cost of capital improvements or mitigate project impacts.
3. Fees collected by the City for other governmental agencies.

Standard exactions related to housing development may include park land dedication, as a result of the Quimby Act, or school site dedication.

To illustrate average fees charged for residential development, two hypothetical scenarios have been developed. The first is for a 100-lot single family project and the second is for a five acre, 100-unit multi-family project. These are shown in Tables 6-1 and 6-2. Based on the City's current 1996 fee schedule, total planning, engineering and building fees were estimated at approximately \$11,243 per single family unit, and \$4,742 per multi-family unit. Overall fees have remained steady or decreased slightly since 1992 when the first fee sample was prepared.

Table 6-3, derived from Keyser Marston Associates March 1991 analysis of residential construction costs, indicates that 5-6% of development costs are devoted to planning and building fees and exactions. This percentage remains a good estimate in November of 1992. In this analysis, planning related fees are combined with the land cost component. If planning and engineering fees are separated from land cost and combined with building fees to form a total City fees component, this component still represents only slightly over 6% of total development costs in the Keyser Marston analysis.

A comparison of current (1992) residential entitlement fees between the City and the County of Sacramento is shown in Table 6-4. While there are similarities between the jurisdiction's planning processes, the environmental review and public works' roles vary considerably and are not noted. The table compares the fees charged by the City and County Planning Departments for typical entitlements required for residential development. Increases in the City's planning fees over the past few years have brought its fees closer to those of the County than they had been historically. The City's fees, however, still remain lower across the board. The County, moreover, has proposed fee increases in early 1993.

A project applicant in the City of Sacramento could request a 25% reduction of Planning fees for projects promoting infill development. Any other proposal to waive or reduce fees must take into account the impacts associated with these actions. Waiver or reduction of fees necessary to cover direct departmental expenses would likely result in a reduction of staff and an increase in processing time for permits and entitlements. Reduction of other fees would likely result in a decrease in the level of capital improvements, a decrease in the ability to provide essential property related services, or an inability to mitigate significant project impacts. Under the City's Zoning Ordinance, the Planning Director may waive planning fees for projects serving low income households.

## **NONGOVERNMENTAL CONSTRAINTS**

While potential governmental constraints can affect the availability and cost of housing, land and financing costs more directly affect housing development costs. These nongovernmental or market constraints are analyzed in the following sections.

### **6.7 LAND COSTS**

Developers often cite the rising cost of land suitable for residential development as the fastest rising cost component in Sacramento County. There is little the City can directly do to influence the market price of land. However, the City does impact the housing supply through the administration of land use policies. As discussed elsewhere in the Element, it is the City's responsibility to do everything in its power to remove zoning constraints to the development of affordable housing.

Land costs vary widely within the City depending on many factors, including desirability of location, parcel size and level of existing improvements. Infill lots in desirable locations sell for as much as \$200,000 for 1/3 acre. Lots are still available at \$25,000 each in more modest, outlying areas. In Keyser Marston Associates' March 1991 analysis of development costs in the city and county, land cost for a 5,000 square foot lot is estimated at \$32,000 per unit or 21% of total costs. Considering that this figure incorporates slightly more than \$2000 in planning and engineering fees, the net estimate is roughly \$30,000 per lot. As discussed earlier in this section, planning and engineering fees are now estimated to be just under \$6000 per unit.

### **6.8 CONSTRUCTION COSTS**

A number of Building Design and Construction innovations may serve to reduce construction costs. These include:

- Use of Optimum Value Engineered (OVE) family design, which has been shown to reduce lumber requirements significantly.
- Mixing unit sizes and types.
- Decreasing dwelling unit sizes without negative effects by careful design of circulation patterns and use of open spaces.

- Use of dual master bedroom units to accommodate joint unit ownership by unrelated single adults.
- Use of all-weather wood foundations.
- Use of thinner floor slabs where possible.
- Elimination of wall sheeting.
- Prefabricated component construction.
- Use of polybutylene water supply piping

## **6.9 AVAILABILITY OF FINANCING**

Nongovernmental or market constraints include the availability of financing, as well as land and construction costs. These cost components are reviewed in this section.

Financing of land acquisition, land development and housing construction has become difficult in the last several years. Representatives of the Building Industry Association of Superior California, as well as several local non-profit and for-profit developers consulted in Housing Element focus group meetings, share this view. A special report from the Urban Land Institute's Real Estate Credit Task Force concurs with this opinion. Although the report indicates that, at the time of its writing, market conditions in California and the Northwest were stronger than the nation as a whole, this no longer holds true for California as of December 1992. As a result of the savings and loan crisis, federal regulators are making it extremely difficult for financial institutions to lend money, even for worthy projects. When they do lend, it is in smaller amounts and with the requirement of a higher level of cash equity on the part of the builder, regardless of credit performance. This situation makes it particularly hard to obtain financing for innovative projects, multi-family projects, or, in fact, anything but standard single family projects. Lenders are shying away from any project which does not have "proven marketability", as they do not want to invite the scrutiny of federal regulatory agencies.

Over the past several years, fixed rate mortgages have varied from just over 7% to 11-1/2%. Adjustable rate mortgages over the same period have varied from 4.5% to 9.5%. As of this writing, fixed rate mortgages with one "point" are averaging about 8.25%, with adjustable rate mortgages averaging about 4.75%. Assuming 8% interest rate, as well as a 20% down payment, a family earning the median income of \$39,700 per year could qualify for loan for a home priced at approximately \$152,000. With a 5% down payment the family could afford a home priced at approximately \$128,000. With a 1% increase in the interest rate, this same family could afford a \$140,000 purchase price at 20% down, and \$118,000 at 5% down.

Interest rates also affect the cost to builders and developers of financing single family and multi-family projects, thereby effectively increasing (or decreasing) the sales prices or rental rates for units in the given projects. Raising investment capital for multi-family projects can be difficult under any circumstances. It is even more difficult for low income housing and even more difficult for non-profit organizations and smaller developers; this is due, in part, to increasing equity requirements.

The federal 1986 Tax Act took away most of the tax advantages that made investment in low



income housing attractive in the early 80's. The Tax Act treatment of corporations, however, is significantly different from that of individual investors. In general, corporations are not subject to the passive loss limitations and are allowed virtually limitless tax credits. Corporations therefore, are potentially the principle source of equity capital for low income housing development.

Debt financing for housing is available through the Redevelopment Agency or Housing authority of the City, which issue mortgage revenue bonds. In addition, SHRA provides debt financing with federal Community Development Block Grant (CDBG) and Home Investment Partnership Program (HOME) funds, and with local tax increment and Housing Trust Funds. The California Housing Finance Agency (CHFA) is another important public provider of single family and multifamily debt financing through mortgage revenue bonds. The bulk of debt financing, however, must be made available through private lending sources. It is therefore vital that the City actively encourage private lender participation in low income housing projects. This can be accomplished partially through careful monitoring of the Community Reinvestment Act performance of local lenders.

The increasing importance of local participation in the funding of housing assistance programs comes in light of the ever decreasing level of federal and state funding for these programs. CDBG funds, the main source of federal funding for these programs, was reduced by 43% from 1980 to 1987.

The most effective use of the various funding sources would probably be the formation of a public/private partnership which could develop a "one-stop financing shopping center" where the unique financing of individual projects could be drafted as a package. "SHRA currently provides a 'one stop' shop for many federal and local funding sources, and has organized a regional loan pool for construction lending through a consortia of lending institutions called the Northern California Reinvestment Consortium."

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**Table 6-1**

**1996 GOVERNMENT FEES COLLECTED FOR A SINGLE FAMILY DEVELOPMENT  
(100 unit subdivision)**

<b><u>Fee Type</u></b>	<b><u>Total Fee Amounts (In Dollars)</u></b>
<b><u>Planning Fees</u></b>	
Negative Declaration	\$2,690
Tentative Map	4,500 <sup>3</sup>
Design Review	757 <sup>4</sup>
Public Works Review	750
<b><u>Engineering</u></b>	
Final Map Charge	3,050 <sup>5</sup>
Tree Planting	12,000 <sup>6</sup>
Survey Monumentation	NO FEE
Water Development (\$1,835 per unit)	183,500
Quimby Fees	178,800
Plan Check/Inspection <sup>8</sup>	48,025
Material Testing <sup>9</sup>	7,750
Streetlight Design Fee <sup>10</sup>	8,000
Sewer Development Fee (126.01/DU)	12,601
1" Water Service w/Meter (159 per DU)	15,900
<b><u>Building</u></b>	
Plan Check	26,600
Building Permit	79,100
Major Street Construction Tax	59,520
Seismic Motion Instrumentation	525
Regional Sewer Fee (2241/DU)	224,100
Business License	3,000
School Impact <sup>12</sup>	214,500
Technology	4,228
Residential Construction Tax	38,500
Processing Fees	4,800
<hr/>	
Grand Total	\$1,117,919
Per Unit	\$11,179

**Assumptions:**

1. 1300 sq. ft. homes, 6000 ft. lots, 7du/na
2. 75% 3 Bedroom, 25% 4 Bedroom, attached 2-Car garages
3. \$100,000 acre land value

**Notes:**

1. Total fee reflects base fee of \$5475 + \$10 per lot.
2. Total fee reflects base of \$3500 + \$10 per lot.
3. Base fee, staff fee @ \$81 hourly as needed may be added.
4. Total fee reflects base fee of \$2,300 + \$15 per each parcel over fifty.
5. Fee is levied @ \$100 per each interior lot, @ \$200 per each corner lot.
6. Street sign fee levied @ \$230 per intersection is no longer collected.
7. "Value of improvements" is based upon \$145 per linear foot of frontage, average 55' wide lot:  $\$145/\text{ft.} \times 55 \text{ ft.} \times 100 \text{ lots} = \$797,500$  assume \$800,000. These costs do not include off-site costs such as oversizing or extending sewer, water or drainage lines.
8. Ibid.
9. Ibid.
10. Sewer tap fee is no longer applicable.
11. Fee varies from \$1.65 to \$2.65, contingent upon which of seven school districts serve the project.

Table 6-2

**1996 GOVERNMENT FEES COLLECTED  
FOR A MULTI-FAMILY DEVELOPMENT**

<u>Fee Type</u>	<u>Total for Development (Dollar amount)</u>
<u>Planning Fees</u>	
Negative Declaration	1010
R-Review	2,125 <sup>1</sup>
(Design Review	785 <sup>2</sup>
<u>Engineering</u>	
Tree Planting <sup>3</sup>	0
Street Name Signs <sup>4</sup>	0
Water Development <sup>5</sup>	0
Sewer Development <sup>6</sup>	75,200
Quimby fees	88,000
Engineering <sup>7</sup>	300
<u>Building</u>	
Plan Check	25,048
Building Permit	30,604
Major Street Construction Tax	35,168
Seismic Motion Instrumentation	923
Business License	1,758
School Impact <sup>7</sup>	144,375
Residential Construction Tax	28,250
Technology	2,226
Residential Construction Tax	240
Water Development Fee	18,350
Water Tap and Meter (4" service)	3,481
<hr/>	
Grand Total	\$474,201
Per Unit	\$4,742

### **Assumptions**

1. 5.0 acre site
2. Units average 875 GSF
3. Unit mix 50%, 1 bedroom, 50%, 2 bedroom
4. Five twenty unit buildings, One-hundred units total.
5. Building Valuation \$4,564,875. Land Value \$100,000/acre

### **Notes**

1. Site is zoned to allow Multi-family development. "R" Review addresses on-site development standards.
2. Base fee, staff fee @ \$81 hourly as needed may be added.
3. Tree planting is addressed under general landscaping re: on-site development criteria.
4. Ibid.
5. Assumes the street frontage improvements are in place. Service provided via 4" infrastructure.
6. Total reflects capital investment equalization fee @ \$752 per unit.
7. \$30 minimum, plus \$75 hourly as needed.
8. Fee varies from \$1.65 to \$2.65, contingent upon which of seven school districts serve the project.



Table 6-3

March 1991  
**CONSTRUCTION COST COMPONENTS BREAKDOWN**  
**1300 SQUARE FOOT SINGLE FAMILY HOME**

<u>Category</u>	<u>\$Amount (per unit)</u>	<u>Percentage</u>
Direct Costs	61,100	43%
Land	32,000	22%
Profit	16,400	11%
Financing	11,810	8%
City Permits and Fees	7,000	5%
Cost of Sales	5,140	4%
Overhead	3,650	3%
Architecture & Engineering	3,060	2%
Marketing	1,000	1%
Taxes & Insurance	920	1%
Legal & Closing	920	1%
Total	143,000	100%

**March 1991**  
**875 SQUARE FOOT APARTMENT**

Direct Costs	37,750		49%
Land	10,000		13%
Profit	8,045		10%
City Permits & Fees	4,500	6%	
Financing	4,450		6%
NPC of Neg Cash Flow	3,735		5%
Cost of Sales	2,300	3%	
Overhead	2,260		3%
Architecture & Engineering	1,510	2%	
Marketing	800		1%
Taxes & Insurance	720		1%
Legal & Closing	720		1%
Total	76,790		100%

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**Table 6-4**  
**SELECTED RESIDENTIAL PLANNING APPLICATION FEE COMPARISON 1992**

<u>Entitlement</u>	<u>City of Sacramento Review &amp; Entitlement Processing Fees</u>	<u>County of Sacramento Planning &amp; Hearing Fees</u>
General Plan Amendment	5897	4878
Additional Fees:		
Res to Comm. Ind.	-	867
Ag. to Urban	-	2255
200-500 ac.	-	1214
500 + ac.	-	4335
Community Plan Amendment	4821	4285
Rezone	5475 (+10/parcel)	4413
Variance (P.D/ZA)	415	1734
Variance (P.C./BS)	1103	2180
Variance (Fence ZA)	-	217
Development Plan Review		
Early Preliminary Review		
/Dev Plan Review	1120	1388
Project Modification	783	2235
PC,CC/BS "R" Review	2050	2524
Special Permits		
PD/ZA	1022	1734
CPC/Project	2247	2696
PC/BS		3286
Condominium Conversion	5353	4229
Special Dev. PUD Permit	2077	3046
Time Extension CC	1158	N/A
Tentative Map CPC/CC-PC/BS	3500	3839
Additional fee	10/parcel	692 (26-100 lots) 348 (each 100 over 100)
Post Subdivision Modification/ Subdivision Resubmission	2676 + (\$10/parcel)	3146
Time Extension CPC/BS	783	2972
Lot/Boundary Line Adjustment	947	930
Cert. of Nonconforming Use	259	347
Development Agreement	5346 + Direct Cost	4218
Dev. Agreement Annual Review	N/A	758

- Notes:
1. City entitlement designations are listed first.
  2. City fees do not include miscellaneous related environmental or Public Works fees.
  3. County fees do not include miscellaneous related environmental, Public Works, or Regional Transportation fees.

4. The following land use designation abbreviations are used:  
Res.-Residential    Comm.-Commercial    Ind.-Industrial    Ag.-Agricultural
5. The following abbreviations refer to the appropriate hearing bodies:  
P.D. - City Planning Director    Z.A. - County Zoning Administrator  
P.C. - City Planning Commission    C.C. - City Council  
B.S. - County Board of Supervisors
6. Where specific entitlements are not available, the most similar entitlements and processes are compared.

HE-5//GOVT







## 7. ENERGY CONSERVATION OPPORTUNITIES FOR HOUSING MAINTENANCE AND AFFORDABILITY

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The relationship between energy conservation programs and affordable housing programs, which are not often linked, merits strengthening. In addition to being environmentally responsible and economically efficient, energy efficient building design and other energy conservation measures often result in lower monthly housing costs for residents (at no additional cost to the builder) and contribute towards overall housing affordability. Furthermore, design, lot orientation and site planning could help conserve energy. The City of Sacramento implements several programs and regulations that reduce energy costs and reinforce the affordability of housing.

### 7.1 ENERGY CONSERVATION PROGRAMS

One program available to Sacramento residential developers is the Sacramento Municipal Utilities District's (SMUD) Energy Efficient New Construction Program which provides a maximum of \$2,000 per unit in incentives to builders who exceed the California Building Code (Title 24) standards for energy efficiency. The program's goal is to "purchase" energy conservation by financing 100% of energy efficient construction beyond Title 24 standards. SMUD reached an economic decision that "purchasing" energy conservation is more cost effective than increasing capacity. As such, this program represents no drain on the utility rate payer. Table 7-1 which follows lists current incentives offered under this program.

**Table 7-1: SMUD RESIDENTIAL NEW CONSTRUCTION INCENTIVE PROGRAM**

<u>Improvement</u> <u>Incentive(\$)</u>	
High Efficiency Heat Pump*	\$100 - \$550
High Efficiency Air Conditioner*	\$25 - \$300
Whole House Fan	\$100
Shade Screen	\$.30/square foot
Energy Efficient Refrigerator	
· Exceeds 1990 energy efficiency standards by 10%	\$50
· Exceeds 1990 energy efficiency standards by 15%	\$100
Buy-back of pre-1980 frost-free refrigerator	\$100
Fluorescent Lighting	
· Interior fixture	\$20/fixture

· Interior fixture for compact fluorescent lamp	\$10/fixture
· Screw-in compact fluorescent lamp & ballast	\$8/lamp & ballast
· Exterior fixture	\$10/fixture

\* Must exceed Title 24 standards

Source: SMUD.

While savings in monthly housing costs as a result of this program may vary, it is estimated that as much as \$50 in monthly savings could be expected under certain circumstances.

SMUD also offers programs for energy efficient retrofitting. However, the current emphasis is on the new construction program, as retrofitting is estimated by SMUD as being five times as expensive as new construction efforts to achieve the same savings.

## **7.2 RESIDENTIAL DEVELOPMENT POLICIES PROMOTING ENERGY CONSERVATION**

Several current residential development regulations and policies promote energy conservation and efficiency of use. For instance, the City has actively encouraged the development of vacant sites throughout Sacramento. Infill development takes advantage of existing infrastructure.

Programs and policies supporting residential energy conservation are:

- (1) Infill Program  
The City offers incentives to develop vacant parcels within older neighborhoods, thereby taking advantage of existing infrastructure and other services.
- (2) SHRA Rehabilitation Programs  
As part of SHRA's housing rehabilitation loan program, weatherization and certain energy efficient improvements can be financed. Similar to SMUD/PG&E conservation programs, this program helps reduce operating costs of existing housing and can help reduce on-going costs of affordable housing.
- (3) Tree Planting Program  
SHRA has implemented a tree planting program in consultation with the Sacramento Tree Foundation and SMUD as a form of energy assistance, to provide shade and to help with neighborhood revitalization.
- (4) Subdivision Ordinance Regulations  
Lot orientation regulations in the ordinance promote natural solar power and energy conservation.
- (5) Multi-Family Parking Lot Tree Shading Ordinance



- (6) Residential Water-Metering Requirement  
Water meters are required to be installed in all new residential construction.
- (7) Implementation of Title 24
- (8) Transit Oriented Development. Programs which encourage new residential development (including density increases) along transit lines are included in the programs.

HE-6//ENERGY









## **8. PRESERVATION OF ASSISTED UNITS**

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Sacramento is faced with the possibility of losing a large supply of government-assisted multi-family housing due to expiring use restrictions, subsidy terminations or mortgage prepayments. These units have comprised a substantial percent of the housing stock affordable to low and very low income households. The City has made preservation of these units a top priority. The following section describes the number of units at risk of converting to non-low income uses in Sacramento, and it outlines efforts the City has taken or will take to preserve the affordability of the units.

It is important to note that the greatest number of assisted housing units are federally assisted units. Conversion of these units to market rate units is subject to Federal regulations (both those applicable at the time of assistance as well as updated legislation designed to reduce the impact of conversions and prepayments on local housing markets). As of January 1996, the federal legislation authorizing HUD's conversion programs for subsidized housing is unclear. Significant changes in procedures and financing of prepayment programs may result.

### **8.1 INVENTORY OF UNITS AT RISK OF LOSING USE RESTRICTIONS**

The "Preservation of Assisted Housing" analysis for the City of Sacramento covers the period from July 1, 1991 to July 1, 2001. The inventory of units at risk of losing use restrictions is divided (by earliest date of potential subsidy termination) into two 5 year sub-periods, from July 1, 1991 to July 1, 1996, and from July 1, 1996 to July 1, 2001. The inventory includes projects financed by local multi-family bond programs, as well as those assisted through HUD loan programs 202, 221(d)3, and 236 and HUD project based section 8 rental assistance programs. A list of local bond projects was obtained from the Sacramento Housing and Redevelopment Agency (SHRA) and the HUD assisted projects were obtained from the "Inventory of Low Income Rental Units Subject to Termination of Federal Mortgage and/or rent subsidies by the year 2008", prepared by the California Coalition for Rural Housing (CCRH) Project from HUD's MIDLIS and MIS data bases. It has been confirmed that no FMHA Section 515, in-lieu fee, inclusionary, or density bonus projects exist within Sacramento. The SHRA has stated that HUD Section 101, 213, and CDBG projects are few or non-existent. State multi-family bond projects and redevelopment projects, however, may contain units at risk of losing affordability protection.

In addition to the units at risk during the ten-year analysis period, six housing projects have already reached their earliest subsidy termination date. They are summarized in Table 8-1 on the following page. Two of the six projects received Section 8 assistance and chose not to opt out. Since each of these projects has ten years of subsidy remaining on their contracts, it can be assumed that the next subsidy termination date will be five years after the date listed in the CCRH report. These units are included in the summary of Section 8 units for 1995 within the first five-year reporting period. The projects subject to prepayment have all filed "notice of intent" with the exception of Sun Garden Plaza, and are in various stages of the HUD process for prepayment. Sun Garden Plaza's 150 units are not included in the summary for units at risk pre-July 1, 1991, or for 1990. At present, no project has successfully prepaid its mortgage and converted to market rate in Sacramento.

**Table 8-1**  
**Inventory of Assisted Housing Units**  
**at Risk before July 1, 1991**

Project Name & Address	Type of Assistance	Earliest Date of Termination	Total Units	Elderly Units
Florin Meadows 7301 29th St. Sacramento, CA 95822	FHA	6/27/89	120	0
Forest Palms Senior Ctr. 1825 El Monte Ave. Sacramento, CA 95815	Section 8	3/7/90	39	39
Broadway Seniors Center 53rd St. & Broadway Sacramento, CA 95820	Section 8	4/2/90	119	119
Florin Meadows 2 7301 29th St. Sacramento, CA 95822	FHA	7/13/90	124	0
Sun Garden Plaza 6248 Lemon Hill Ave. Sacramento, CA 95824	FHA	9/1/90	150*	0
Norwood Arms (Willow Tree) 4300 Norwood Sacramento, CA 95838	FHA	3/19/91	108	0
<b>Total</b>			<b>510 units</b>	<b>158 units</b>

\* Excluded from total because owner did not file a Notice of Intent to convert.

Source: SHRA and California Coalition for Rural Housing (CCRH) Project.

This section and the inventories contain the following components required by State Law: (1) Units at risk of losing use restrictions, (2) cost analysis of preserving at-risk units versus replacing them, (3) nonprofit entities capable of acquiring and managing at-risk projects; (4) potential preservation financing sources, (5) number of at-risk projects/units to be preserved, and (6) efforts to preserve units at risk of losing use restrictions. Three types of assistance are inventoried; they are FHA, Section 8, and local bonds. FHA refers to HUD-sponsored programs which are subject to prepayment. Section 8 refers to projects subject to opt-outs. Local bond projects are subject to expiration of restrictions. Included are summary tables describing number of housing units at risk of conversion by housing tenure (elderly versus family units) and type of assistance (Table 8-2), and by year of housing assistance expiration (Table 8-3).

**Table 8-2**  
**SUMMARY OF UNITS "AT RISK"**  
**BY FIVE-YEAR PERIOD AND TYPE OF ASSISTANCE**

<b>GRAND TOTAL JULY 1, 1991 - JULY 1, 2001</b>		<b>2402 units</b>
■	Units at risk (July 1, 1991 - July 1, 1996)	1552 units
	Number of elderly units*	510
	<u>Number of units by type of assistance</u>	
	Local Bonds	257
	FHA	711
	Section 8	584
■	Units at risk (July 1, 1996 - July 1, 2001)	850
	Number of elderly units	0
	<u>Number of units by type of assistance</u>	
	Local Bonds	621
	FHA	156
	Section 8	73
■	Units at risk prior to July 1, 1991	352
	Number of elderly units*	0
	<u>Number of units by type of assistance</u>	
	FHA	352

\* Elderly units at risk prior to July 1, 1991 are included in the 1991-1996 count.

Source: SHRA.

During the 1991-2001 ten-year period, approximately 2,402 assisted housing units are at risk of conversion from low income to non-low income use. 1,552 units are at risk from July 1, 1991 to July 1, 1996. The majority of those units received FHA financing and their affordability controls are in danger of prepayment. There are 850 government-assisted housing units in Sacramento that are in jeopardy during the second five-year period, from July 1, 1996 to July 1, 2001. Elderly housing units are not at risk during that time because the majority of those units were assisted by local bonds.

From the following summary table, approximately 2,754 total assisted housing units are at risk of conversion to non-low income use from 1989 to 2001. 510 of those units (or 18.5 percent) are currently designated for the use of senior citizens.

**Table 8-3  
Summary of Units "at Risk" by Year**

<b>Year</b>	<b>Elderly Units</b>	<b>Total Units</b>
1989	0	120
1990	0	124
1991	0	108
1992	0	268
1993	108	140
1994	242	689
1995	160	269
1996	0	387
1997	0	208
1998	0	0
1999	0	0
2000	0	368
2001	0	73
	<b>510</b>	<b>2,754</b>

Source: SHRA.

In compliance with State housing element requirements, the inventory which follows contains information on each assisted project in the ten-year period by name and address, type of governmental assistance received, the earliest possible date of conversion from low income use, and the total number of elderly and non-elderly units that could be lost.

**Table 8-4: Inventory of "at Risk" Assisted Housing Units  
in the City of Sacramento (July 1, 1991 - July 1, 1996)**

<b><u>Project Name &amp; Address</u></b>	<b><u>Type of Assistance</u></b>	<b><u>Earliest Termination Date</u></b>	<b><u>Total Units</u></b>	<b><u>Elderly Units</u></b>
Calvine Estates 7140 Calvine Rd., #23 Sacramento, CA 95823	Local Bond	9/1/95	11	0
Cedar Ridge 4945 Mack Rd. Sacramento, CA 95823	Local Bond	6/7/95	55	0
Natomas Court 2223-B Northview Dr. Sacramento, CA 95833	Local Bond	6/1/95	5	0
Park City 3310 Winter Park Dr. Sacramento, CA 95834	Local Bond	6/14/96	77	0



Parkway Village 7926 Center Parkway Sacramento, CA 95823	Local Bond	5/31/96	66	0
Pheasant Pointe 2660 Stonecreek Dr. Sacramento, CA 95833	Local Bond	1/19/96	43	0
Camelot South 1229 E Street Sacramento, CA 95814	FHA	8/16/92	20	0
Camelot North 1221 E Street Sacramento, CA 95814	FHA	8/16/92	20	0
Piedmont Arms 2556-2560 27th St. Sacramento, CA 95818	FHA	7/10/94	14	0
1215 D Street Sacramento, CA 95823	FHA	9/20/93	24	8
Sherwood Court 12th & D Streets Sacramento, CA 95814	FHA	10/9/94	14	0
Washington Square 2 801 E Street Sacramento, CA 95814	FHA	10/16/94	51	16

<b><u>Project Name &amp; Address</u></b>	<b><u>Type of Assistance</u></b>	<b><u>Earliest Termination Date</u></b>	<b><u>Total Units</u></b>	<b><u>Elderly Units</u></b>
Washington Square 3 901 E Street Sacramento, CA 95814	FHA	10/30/95	40	2
College Gardens 7745 College Town Dr. Sacramento, CA 95826	FHA	8/17/92	100	0
2301 C Street 2301 C Street Sacramento, CA 95814	FHA	11/9/92	16	0
2517 C Street 2517 C Street Sacramento, CA 95816	FHA	11/29/92	16	0
Pioneer Towers 5th & P Streets Sacramento, CA 95814	Section 8	2/27/93	100	100
2410 C Street 2410 C Street Sacramento, CA 95816	FHA	3/1/93	16	0
College Greens 7901 La Riviera Sacramento, CA	FHA	3/6/94	200	0
St. Frances Manor 2515 J Street Sacramento, CA 95816	Section 8	6/15/94	126	126
Meadowview Riviera 2454 Meadowview Rd. Sacramento, CA 95822	FHA	9/29/92	96	0
Townhouse Villas 3730 Modell Way Sacramento, CA 95838	Section 8	7/31/94	100	0
Cosumnes River Apts. 8180 Center Parkway Sacramento, CA 95823	FHA	8/14/94	84	0
Casa Del Angelo 3151 Notre Dame Dr. Sacramento, CA 95826	Section 8	10/2/94	100	100

**Table 8-5: Inventory of "at Risk" Assisted Housing Units  
in the City of Sacramento (July 1, 1996 - July 1, 2001)**

<b><u>Project Name &amp; Address</u></b>	<b><u>Type of Assistance</u></b>	<b><u>Earliest Termination Date</u></b>	<b><u>Total Units</u></b>	<b><u>Elderly Units</u></b>
Fountain Oaks 132 Fountain Oaks Cr. Sacramento, CA 95831	Local Bond	7/19/96	56	0
Grouse Run 7413 So. Land Park Dr. Sacramento, CA 95831	Local Bond	6/1/00	49	0
Rancho Natomas 801 San Juan Rd. Sacramento, CA 95833	Local Bond	8/16/97	68	0
Riverpointe I 2361 Oaks Harbour Dr. Sacramento, CA 95833	Local Bond	9/1/96	71	0
Riverpointe II 2361 Oaks Harbour Dr. Sacramento, CA 95833	Local Bond	3/197	71	0
River Terrace 2592 Millcreek Rd. Sacramento, CA 95833	Local Bond	4/1/97	69	0
Smoketree 3334 Smoketree Dr. Sacramento, CA 95834	Local Bond	5/1/00	104	0
Stone Creek 2645 Stonecreek Sacramento, CA 95833	Local Bond	11/1/96	74	0
Creekside 6465 Village Center Dr. Sacramento, CA 95823	Local Bond	1/15/00	59	
Park Place El Mirador 1230 N Street Sacramento, CA 95816	FHA	6/27/00	156	0
Cascade Apts. 7600 Fruitridge Rd. Sacramento, CA 95820	Section 8	6/11/01	73	0

## 8.2 COST ANALYSIS

According to Keyser Marston Associates' March 1991 study, the total development costs per unit is \$62,710 for a 100 unit apartment complex averaging 875 square feet per unit. The estimated cost to "buy-out" is estimated at \$35,000 to \$60,000 a unit by the Redevelopment Agency (May 28th, 1991 staff report to City Council). At that amount, preservation of "at risk" units by way of buyout is significantly less expensive than new housing construction. Far less local financing would be required for purchase of pre-payment eligible units than it would be for the construction of new units which typically assume 20%-30% of equity investment compared to 5% which would be required for buyouts. Additionally, "priority purchasers" of pre-payment eligible complexes may receive new project based Section 8 contracts which have rents sufficient to meet operational expenses, and service the original below-market rate loan, an acquisition loan for 95 percent of the owner's equity, and a rehabilitation loan.

Assuming that the owners of all potential prepayment projects will elect to sell their property, an estimate of the total local funds necessary for their acquisition is as follows:

<u>Subsidy termination date</u>	<u>Units</u>	<u>Cost estimate</u>
Pre 7/1/91	352	\$600,000-1.1 million
7/1/91 - 7/1/96	711	\$1.2 million - \$2.1 million
7/1/96 - 7/1/01	156	\$275,00-\$500,00
<hr/>		
Total	1219	\$2.1 million - \$3.7 million

In addition to the equity requirements, SHRA will be providing grants and loans to assist tenant groups and non-profit organizations to undertake the studies and predevelopment activities necessary to purchase projects. An estimated \$1.0 million will be necessary for projects anticipated to be for sale.

The Agency report notes that if new pre-payment legislation is not adequately funded, total preservation cost could be as much as twenty times higher. The local subsidy required for purchase of Section 8 projects is estimated to be 20-30% of property value. While this course of action would still be less expensive than replacement by new construction, it is not as economical as buyout of pre-payment projects and, therefore, is not the most effective use of limited local funds available for preservation. Moreover, the cost of subsidy to maintain rents at 30% of tenant income in a project with an expired Section 8 contract is substantially greater than the cost of subsidizing the acquisition itself and is therefore not a feasible alternative.

## 8.3 RESOURCES FOR PRESERVATION

Two types of resources are to be considered for preserving at-risk units; they are (1) public agencies, non-profit housing corporations and tenant groups, and (2) public financing or subsidy programs. In the Sacramento area, several non-profits have expressed interest in obtaining "at risk" properties and some sales have been accomplished in the County. If all of the subject properties were to become available in the next five years it would impose a heavy burden on the non-profit community. In its report to City Council, the Agency pointed out that although, tenant-based organizations should be considered as one type of "purchaser", there are also pitfalls to sole reliance on this strategy. For example, such organizations may be labor intensive to form, unstable unless established carefully, and, often lacking the equity capital and expertise necessary for complex housing development



problems liable to arise in the acquisition of "at risk" projects. Remedying this situation requires the agency to provide technical assistance, predevelopment loans, and, when feasible or necessary, actually act as purchaser of "at risk" properties.

The Redevelopment Agency has established a Preservation Grant and Loan Program to assist tenant groups and non-profit organizations to prepare for acquisition. The components of this program include:

- 1) the education of tenants regarding Title II and Title VI and the abilities of tenants to influence the process;
- 2) grants for the organization of tenants into a cohesive group as a non-profit;
- 3) loans for predevelopment activities prior to site control;
- 4) loans for implementation activities subsequent to site control; and
- 5) equity contributions for project purchase.

The Agency has allocated approximately \$750,000 from 1990 Tax Allocation bonds and \$189,000 from Mortgage Revenue Bond proceeds to initiate the program. Other sources of financing will need to be developed to significantly deal with the preservation issue.

Possibilities for gap financing include CDBG, HOME funds or Section 108 bonds. Locally issued 501(c)(3) bonds could be used in conjunction with HUD insurance or other credit enhancements to provide slightly better terms for permanent financing.

Specific dollar figures are not available at the time of this writing for any of the above mentioned sources. Block Grant monies are tightly controlled and at the present time are being utilized at or near the fullest extent possible. As for other potential gap financing funds, 501(c)(3) bonds may be used and are being investigated actively as a source of permanent financing.

#### **8.4 QUANTIFIED OBJECTIVES**

At present, the Redevelopment Agency's following policy statement shall serve as the City's quantitative objective for its preservation efforts.

It shall be, to the extent practical and financially feasible and to the extent that funds are available, the policy of the Redevelopment Agency of the City of Sacramento ("Agency") to prevent all conversions of existing, federally-assisted housing to market-rate rents. This statement recognizes the need for maintaining an adequate supply of decent and affordable housing for all segments of the population, the greater cost involved in providing new affordable housing as compared to preserving the existing stock, and the need to prevent large-scale tenant displacement.

As calculated earlier, this amounts to 2,402 total units over the ten year period comprised as follows:

**Table 8-6: Summary by Government Assistance and Time Period**

Assistance	July 1, 1991 - July 1, 1996	July 1, 1996 - July 1, 2001	Total
Local Bonds	257	621	878
FHA	711	156	867
Section 8	584	73	657
Total	1,552	850	2,402

## **8.5 PRESERVATION PROGRAMS**

The Agency's "Steps to Implementation" as described in the May 28, 1991 staff report, serves as the basis for the City's preservation program. They are:

- 1) Assess Options as Soon as Practical: It shall be the policy of the Agency to assess options for preservation of each property as soon as practical. Early assessment of options will help ensure maximum flexibility and cost effectiveness.
- 2) Monitor Projects: The federal legislation provides for defined timetables which must be carefully monitored to maximize opportunities for preservation. The Agency shall develop a process for monitoring the status of at-risk projects, especially after owners have filed Notices of Intent with HUD indicating interest in prepayment, sale or opt-out of Section 8 contract. In the case of prepayment projects, the Agency will, with HUD, monitor the submission and implementation of the owners' incentive plans to ensure maximum long-term affordability of housing units and adequate property maintenance. In the case of opt-out projects, where owners do not wish to sell their properties, the Agency shall attempt to negotiate with the owner and HUD to seek sufficient contract rent increases and/or contract extensions to encourage continued Section 8 participation.
- 3) Commit Local Resources: The Agency may commit local funding on a case-by-case basis if necessary to ensure long-term preservation of such housing units. In many cases this will be through acquisition of the units by the Agency or through financing acquisition by a "priority" or "qualified" purchaser, as defined under the Low-Income Housing Preservation and Resident Homeownership Act of 1990 ("LIHPRHA") and any regulations adopted in conjunction with LIHPRHA.

To achieve this end, the Agency will act as a clearinghouse for all interested purchasers of the project and will, to the extent practical, take steps to ensure that there is a reputable priority purchaser ready, willing and able to acquire the property, who will bring maximum third-party financing to the transaction, and who will improve or maintain the condition of the property and its affordability restriction.

If a property appears suitable for acquisition by the Agency, and funding for acquisition, rehabilitation and operations is available to the Agency, the Agency itself will take steps

to acquire the project.

It is unlikely that the Agency will have sufficient funds to enable preservation of all projects requiring local resources to prevent prepayment or opt-out. Therefore, certain criteria will need to be applied to determine priorities for Agency acquisition and/or Agency funding. While the priorities will in large part be determined by the final LIHPRHA regulations, which are not anticipated to be circulated until August or September, in general the following types of projects will be considered priority for Agency acquisition and/or Agency funding:

- a) Projects at risk of prepayment, as opposed to projects at-risk of opt-out. LIHPRHA provides for 95% financing of prepayment projects, whereas no targeted financing is available for opt-out projects. Thus, at the current time it appears that prepayment projects will probably be preserved with less gap financing by the Agency relative to opt-out projects.
- b) Projects in Community Plan Areas not meeting their Fair Share requirements, since loss of affordable projects in these areas will add further to the area's affordability gap.
- c) Projects whose acquisition and rehabilitation would contribute to neighborhood revitalization.
- d) Projects whose acquisition and rehabilitation costs will be less than cost of new construction of a similar project.
- e) Projects where maximum units are preserved for a minimum contribution of local funds.
- f) Projects with two, three or four bedrooms, and seniors projects.
- g) Projects located near schools, public transit, medical and other services.
- h) Projects in areas likely to garner high market rate rents, whose conversion would negatively impact tenants in the short run.

In cases where a project is not the Authority's preference for acquisition, but no other "priority" or "qualified" purchaser wishes or is able to acquire the property, the Authority will, where practical, and financially feasible, and to the extent local funds are available, step in to acquire the property as a "buyer of last resort" in order to prevent market rate conversion.

The Agency will also explore the use of such resources or techniques as voluntary condemnation and tax exempt financing which have no direct cost to the Agency and may lower the overall development costs and requirements for local funding.

In February, 1993, the City Council and the Redevelopment Agency and the Housing Authority of the City of Sacramento expanded on these policies by adopting a program with regard to the provision of financial assistance for preservation of federally assisted housing. This included a grant and loan program with the following components:



- 1) education of tenants regarding Titles II and VI;
- 2) organizational grants for tenants;
- 3) predevelopment loans for activities prior to site control;
- 4) implementation loans for activities subsequent to site control; and
- 5) equity contributions for project purchase.

The adopted resolution authorized issuance of a NOFA to residents of affected properties and to non-profit housing agencies.

The adopted program also included a contract for a Preservation Education Coordinator. The Coordinator will deliver an initial curriculum to tenants of all affected projects and will provide, upon request, additional tenant organization materials.

Lastly, the adopted resolution authorizes the Executive Director of the Sacramento Housing and Redevelopment Agency to evaluate projects for acquisition by the Housing Authority of the City of Sacramento.

- 4) Promote Tenant Participation: LIHPRHA encourages acquisition of at-risk projects by tenants. The Agency will address tenant concerns by: a) taking steps to educate tenants regarding preservation issues through workshops and other means as appropriate, b) keeping any designated tenant representatives informed as to the status of their project in HUD processes or with regard to acquisitions, c) supporting, through technical assistance and/or funding, to the extent practical and to the extent funds are available, acquisition of projects by tenant groups where the tenant group appears viable and where such acquisition appears desirable and financially feasible.

## **8.6 1996 LEGISLATIVE UPDATE**

"Opt-outs" or conversions are a national subsidized housing problem which will require both local and federal solutions. At this time, SHRA has been monitoring all opt-out proposals and has been prepared to work out strategies for preservation. The conversion to market rate of Federal assisted projects requires Federal approval. Currently, congress and HUD are reviewing procedures for opt-outs and conversions to develop new procedures. As of January 1996, no final legislation has been adopted. SHRA reports that processing of purchases and refinancing at HUD are currently at a standstill pending new legislation.

HE-7//OPT-OUTS







## **9. LOW AND MODERATE INCOME HOUSING FUNDS**

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The City of Sacramento through the Sacramento Housing and Redevelopment Agency (SHRA), seeks to aggressively pursue or develop funding to support affordable housing production and rehabilitation. Among the sources of funding used are: 1) redevelopment tax increment funding, 2) local Housing Trust Fund proceeds and 3) various sources of State and Federal grants such as HOME funding, conventional public housing construction and modernization funds and Community Development Block Grant (CDBG) funding.

### **9.1 REDEVELOPMENT TAX INCREMENT LOW AND MODERATE INCOME HOUSING FUNDS**

Through its redevelopment efforts, the City of Sacramento has used tax increment financing to increase the supply of housing affordable to lower income households and to eliminate blight from several of its poorer neighborhoods. Tax increment financing has also facilitated non-residential rehabilitation and comprehensive community development in addition to housing assistance.

Tax increment financing is a mechanism available to jurisdictions for the development of low and moderate income housing programs. Private investment in a designated redevelopment area increases property tax revenues which in turn generate tax increment financing.<sup>1</sup> The area's increase in tax revenue from the base year onward is available to the local redevelopment agency to finance development within the targeted area. According to State Law, redevelopment agencies must set aside a minimum twenty percent of tax increment in a special fund for low and moderate income housing. This fund is referred to as the "tax increment set-aside."

Set-asides from tax increment generated from its various redevelopment areas have been one of the City's major revenue sources in its low and moderate income housing fund. Proceeds from additional sources such as property sales, loan repayments, bonds, and certificates of participation as well as other contributions augment the City's low and moderate income housing fund for its redevelopment target areas. Additionally, the Redevelopment Agency uses the revenue from the Housing Trust Fund Program to increase the citywide supply of housing affordable to low income households and individuals, with priority given to very low income individuals and households. The funds described in this section, however, detail the low and moderate income housing program for the redevelopment areas whose main funding base is the tax increment financing. CDBG and HOME funds will also augment HTF and tax increment financing to develop housing affordable to low and moderate income households over the Element's reporting period.

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<sup>1</sup> Nancy L. Minter, "Tax Increment Financing," Urban Land, May 1991, pp. 3 and 39.

### **Target Areas for the Low and Moderate Income Set-Aside Funds**

Prior to 1990, the City had four designated redevelopment areas; those areas were Alkali Flat, Del Paso Heights, Oak Park and Downtown. Each area had a significant amount of economic, social and physical problems warranting its selection as a redevelopment target area. In 1990, the City Council designated the Richards Boulevard area as a new redevelopment area. Subsequently, the City Council and County Board of Supervisors approved the creation of three additional redevelopment project areas: Franklin Boulevard, Auburn Boulevard and North Sacramento.

### **Historic Housing Fund Balances and Accomplishments**

The Citywide total of tax increment set-aside has increased steadily from \$1,459,040 in 1985 to \$2,950,721 in 1990. Revenue dropped slightly from 1989 to 1990. The total amount of money available in the City's low and moderate income housing set-aside fund and each redevelopment plan area's accrued funds from 1985 to 1990 are shown in Table 9-1.

Sacramento's Downtown Redevelopment Area which contains the City's major business district accrued more than two million by 1988 in tax increment set-aside for low and moderate income housing. By 1990, \$2,277,671 was available in the Downtown Redevelopment Area's set-aside account. The Oak Park neighborhood's set-aside was \$325,091 by 1990 for the use of increasing and improving the supply of low and moderate income housing in that community. As shown in Table 9-1, the Alkali Flat and Del Paso Heights set-aside accounts each had more than \$150,000 in by 1990.

**Table 9-1: SUMMARY OF 20% TAX INCREMENT SET-ASIDE  
BY PROJECT AREA (in dollars)**

<b>Redevelopment Area</b>	<b>1985</b>	<b>1986</b>	<b>1987</b>	<b>1988</b>	<b>1989</b>	<b>1990</b>
Downtown	1,133,040	1,561,700	1,878,514	2,050,191	2,375,765	2,277,671
Alkali Flat	80,800	121,600	143,800	134,374	145,018	158,240
Del Paso Heights	95,000	121,700	174,720	143,672	181,647	189,719
Oak Park	150,200	179,300	234,250	219,936	255,355	325,091
Total	1,459,040	1,984,300	2,431,284	2,548,173	2,957,785	2,950,721

Source: SHRA.



In addition to the 20% tax increment set-aside, the Redevelopment Agency has augmented the City's low and moderate income housing fund revenues with interest accruals, annual adjustments, annual property sales proceeds, and loan repayments. Additional deposits and adjusted requirements to the fund include bond proceeds and Certificates of Participation. Proceed deposits have steadily surpassed the tax increment set-aside amount in the citywide low and moderate income housing fund. The total revenue available for the City's housing fund was \$21,189,885 in 1990. Proceeds and deposits from non-tax increment set-aside sources comprised approximately 79% (\$16,878,778) of the 1990 total revenue for the redevelopment target areas.

### **Expenditure of Low and Moderate Income Housing Funds**

As shown in Table 9-2, the City's low and moderate income housing fund balance grew from \$2,335,661 in 1984 to \$25,654,462 in 1990. The Redevelopment Agency expended \$5,792,264 of housing program funds in 1990. The majority of those expenditures involved program subsidies, tax increment flow, debt proceeds and service, and administrative costs.

**Table 9-2**  
**Low and Moderate Income Housing Fund Expenditures from 1985 to 1990**

TOTAL	1985	1986	1987	1988	1989	1990
Revenue	\$5,774,043	\$2,141,000	\$4,302,970	\$8,202,932	\$11,631,059	\$20,939,485
Expenditure	\$1,414,080	\$2,640,800	\$6,013,210	\$8,866,310	\$5,368,276	\$5,801,829
Cash Fund Balance*	\$6,695,624	\$6,195,824	\$4,485,484	\$3,822,106	\$10,084,889	\$25,222,545

\* The 1984 starting cash balance was \$2,335,661. 100% of the cash balance is committed to redevelopment projects.

Expenditure of funds in 1990 for the Downtown area, Alkali Flat, Del Paso Heights and Oak Park low and moderate income housing accounts are described in Table 9-3. The table provides a breakdown by redevelopment area of the dollar amount and expenditures devoted to programs and subsidies, debt service and administration.

**Table 9-3: 1990 Low and Moderate Housing Fund Expenditures**

Redevelopment Target Areas	Expenditures				
	Programs/ Subsidies	Debt Proceeds	Debt Service	Administration	Total
Downtown	\$1,067,037	\$1,255,316	\$1,031,496	\$673,783	\$4,027,632
Alkali Flat	\$42,270	0	\$155,597	\$36,354	\$234,221
Del Paso	\$430,532	0	\$145,135	\$68,720	\$644,387
Oak Park	\$498,054	0	\$329,122	\$58,848	\$886,024
Total	\$2,037,893	\$1,255,316	\$1,661,350	\$837,705	\$5,792,264

Source: SHRA.

Approximately 56% (or \$3,293,209) of total program funds were used in 1990 toward program subsidies. Twenty-nine percent or \$1,661,350 of the funds within the citywide low and moderate income housing program involve payment of debt service and 14 percent or \$837,705 was spent on administration of the various programs.

### **Program and Subsidy Expenditures**

Construction and debt service of the Riverview Senior housing high-rise project constituted twenty-nine percent (\$663,000) of the total program/debt service expenditures for the Downtown area in 1990. Thirty-one percent (\$718,294) of the total Downtown fund program/debt service expenditures were used for Armory housing and modular housing units. Additionally, a significant amount of money was expended towards the Glen Ellen housing grants and subsidies for the Woodhaven senior housing project.

In the Alkali Flat Redevelopment Area, site acquisition for ownership housing represented the highest expenditure of program and subsidy funds in 1990. Approximately \$32,796 or 78% of total program funds went towards site acquisition. Replacement Housing (31%) and Rio Linda Housing Development (42%) were the largest program and subsidy expenditures in the Del Paso Heights Area.

Land acquisition for low and moderate income housing and the Neighborhood Housing Services were major program expenditure budget items in the Oak Park Redevelopment Area in 1990. Approximately 61 percent (\$301,424) of the total program and subsidy expenditures were used for site acquisition. Neighborhood Housing Services expenditures comprised twenty-five percent or \$122,568 of 1990 program costs for Oak Park.

The large cash fund balances shown in Table 9-2 are not an indication that tax increment funds are remaining unspent. They are, however, a result of the fact that appropriated projects are "pre-funded." In other words, money obtained from Tax Allocation Bonds that were leveraged by low and moderate income housing funds, are in reserve for developers or the public to compete for, leverage with private capital, and plan and build new affordable housing. Some question exists of the fund's cost effectiveness, however, since a large percentage of total expenditures went towards debt service.

Since 1990, tax increment set aside funds provided acquisition and construction financing for the historic rehabilitation of the Shasta Hotel; construction and permanent financing was also awarded to the Family Housing Demonstration Project, the River City Co-Housing development, the Terraces senior citizen residential hotel, the Pensione K residential hotel and live/work apartments, Metro Court, an ownership infill development on R Street, rehabilitation of housing in the Southside neighborhood, and the Fainted Ladies program (historic rehabilitation in the central City).

In Oak Park, redevelopment tax increment set aside funds initiated the boarded an Vacant acquisition and rehabilitation program, with homes sold to first-time home buyers after rehabilitation. Tax increment funds also initiated the Oak Park Partnership Program, a down payment assistance and second loan program, in cooperation with Union Bank. In addition, Oak Park tax increment funds continued to contribute to a variety of coordinated block cleanup/paint/ rehabilitation efforts involving community volunteers and nonprofit housing corporations. In 1994, in conjunction with Building Trades Council, the Sacramento Employment and Training Agency, and the Sacramento City School District's Regional Occupational Program, SHRA initiated the Oak Park Apprenticeship Training Program in the Construction Trades, where unemployed youth from the area learned housing construction trades while completing school.

### **Projected Redevelopment Agency Housing Funds and Programs**

As noted above, the SHRA currently administers eight (8) redevelopment areas in the City of Sacramento. Four areas have been established since the 1970's and have a history of tax increment revenue generation. These areas are: the Merged Downtown Project Area;



Alkali Flat Project Area; Oak Park Project Area and the Del Paso Heights Project Area. Five other areas are recently established (post 1990), and have only recently initiated activities which would improve the tax base and therefore, generate tax increment funds. These areas are: Richards Boulevard; North Sacramento; Auburn Boulevard; Stockton Boulevard and Franklin Boulevard Project Areas.

For each Project Area, Article 16.5 of Community Redevelopment Law requires that an Implementation Plan be prepared to outline projected redevelopment revenue and expenditures for a five year period. Implementation Plans were prepared for all eight project areas by SHRA in 1994. The Implementation Plans are included in the Technical Appendix.

Tables 9.4 and 9.5 summarize the projected resources and housing production capabilities of each project area as identified in the Implementation Plans. As can be seen, the four recently initiated Project Areas (North Sacramento, Richards, Auburn and Franklin) are just beginning to generate tax increment proceeds, and have a lower level of housing production over the next five years. Richards Boulevard Project Area for example, is estimated to produce 850 units of new housing but not until after year 2000 when the necessary funding and land acquisition is completed.

Overall, based on the Implementation Plans, during the next five year period, the combined total of the Redevelopment Areas' housing fund is estimated to generate over \$43 million dollars and assist directly 465 housing units. Unfortunately, the lowering of property tax assessments due to the recession has resulted in lower tax increment generation than anticipated for 1994. It is important to note that included in the redevelopment housing fund are supportive services for housing as well as direct construction, rehabilitation and subsidy costs. As noted in the Special Housing Needs (Chapter 3), many segments of the community require housing with specialized services. Examples of this are services for the mentally ill or on-site job training assistance for low income single parents residing in Agency sponsored housing. Additionally, redevelopment housing funds are used to provide experienced housing development and rehabilitation staff. These staff administer not only tax increment housing funds, but also Housing Trust Fund proceeds, federal HOME funds and CDBG funds and other public and private housing funds.



**TABLE 9-4**  
**PROPOSED REDEVELOPMENT HOUSING RESOURCES**  
**(Existing Obligations and New Program Funds Combined)**  
**(In \$1000 of Dollars)**

YEAR	1995	1996	1997	1998	1999	TOTAL
Merged Downtown	9,325	5,483	4,363	3,522	3,705	\$26,398
Del Paso Heights	945	436	330	330	338	\$2,379
Oak Park	1,482	1,004	836	750	616	\$4,688
Alkali Flat	1,167	1,139	873	565	423	\$4,167
Richards Boulevard	137	290	596	1,047	1,640	\$3,710
North Sacramento	333	224	189	244	268	\$1,258
Auburn Boulevard	7	8	13	17	20	\$65
Franklin Boulevard	20	61	124	106	126	\$437
Stockton Boulevard	N/A	N/A	N/A	N/A	N/A	N/A
<b>TOTAL</b>	<b>\$13,416</b>	<b>\$8,645</b>	<b>\$7,324</b>	<b>\$6,581</b>	<b>\$7,136</b>	<b>\$43,102</b>

Source: Tables 3 and 5 of the Implementation Plans prepared pursuant to Article 16.5 of the Community Redevelopment Law.

**TABLE 9-5**  
**PROPOSED REDEVELOPMENT HOUSING PRODUCTION**  
**(Total Units to be Constructed, Rehabilitated or Price Restricted)**

YEAR	1995	1996	1997	1998	1999	TOTAL
Merged Downtown	159	35	20	0	0	214
Del Paso Heights	11	32	15	0	0	58
Oak Park	18	10	11	9	6	54
Alkali Flat	1	12	13	4	4	34
Richards Boulevard	0	0	0	26	26	52
North Sacramento	5	5	3	5	6	24
Auburn Boulevard	2	2	4	5	5	18
Franklin Boulevard	0	0	3	3	5	11
Stockton Boulevard	19	14	15	2	21	71
<b>TOTAL</b>	<b>215</b>	<b>110</b>	<b>84</b>	<b>54</b>	<b>73</b>	<b>536</b>

Source: Tables 2 and 6 of the Implementation Plan

Anticipated program expenditures reflect the "holistic" approach to housing espoused by the Redevelopment Agency and includes both new construction and rehabilitation, owner and renter programs, substantial leverage and collaboration with other funding sources and supportive services for lower income persons. Table 9.6 summarizes the programs included in the Implementation Plans. The reader may also be interested in a full program narrative included in the Implementation Plans located in the Appendix.

## **9.2 OTHER LOW AND MODERATE INCOME HOUSING DEVELOPMENT FUNDS**

In addition to local tax increment housing development funds, the City of Sacramento has access to local housing trust fund proceeds and to a variety of State and Federal funds. In addition, SHRA has established relationships with a number of local lenders willing to provide private financing in conjunction with public subsidies.

### **Federal Resources**

With respect to Federal funding, the primary source of funding comes from the U.S. Department of Housing and Urban Development (HUD). HUD requires the completion of a Consolidated Plan as the basis for receipt of certain entitlement funds such as the Community Development Block Grant (CDBG) and other housing programs. SHRA administers federal housing funds on behalf of the City and County of Sacramento. The 1994/95 Consolidated Plan for the City of Sacramento sets forth a Housing and Community Development Strategic Plan. This plan governs strategies for use of Home Investment Partnerships (HOME) funds, CDBG funds, Emergency Shelter Grants (ESG), Section 8 and public housing development. Additionally, the Plan discusses how tax increment and housing trust proceeds can be used to support the overall housing strategy.

The Consolidated Plan references the following federal resources available for the 1994/1995 fiscal year:

Federal HOME Funds	\$ 7,200,000
CDBG	\$17,700,000
Emergency Shelter Grant	\$ 480,000
Section 8/ Vouchers	\$ 961,539
Public Housing	\$10,500,000

### **State Resources**

The State Department of Housing and Community Development (HCD) periodically provides financial assistance to local governments in meeting low income housing needs. In the past, SHRA has made significant use of State Deferred Rehabilitation Loan funding for single family, multi-family and SRO rehabilitation projects and the State Rental Housing Construction Program. Additionally, mobile home equity participation programs and farm worker housing assistance has been provided by HCD to SHRA. Many of these State programs are currently unfunded. Whenever possible, however, SHRA does pursue State housing development funding.

### **Local Housing Trust Fund Proceeds**

Initiated in the late 1980's, SHRA adopted a landmark local ordinance which establishes an "impact fee" on new commercial and industrial development. Based on a jobs/housing nexus, the fee revenue is used to create new affordable housing opportunities to support the labor market and general commercial and industrial growth. The December 1995 City Housing Trust Fund balance was \$174,056. In February 1996, the Redevelopment Agency issued a comprehensive Notice of Funding Availability (NOFA) soliciting proposals for both HOME funding (formal application) and Housing Trust funds (over the counter approach). As of February 1996, the HTF fund had grown to \$229,357 with an additional \$127,378 available for projects in North Natomas.

HE-8//LOW-MOD









## 10. GOALS, POLICIES AND PROGRAMS

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### 10.1 INTRODUCTION

This section of the Housing Element describes the proposed goals, policies and implementation for the development, improvement and maintenance of housing in the City of Sacramento. The goals are general statements, whereas the policies indicate principles to guide actions to meet goals. Existing and new programs follow each section describing the implementing steps and actions to attain the goals and policies.

### 10.2 OVERVIEW OF THE GOALS AND POLICIES

In order to take a holistic and comprehensive approach to housing the City of Sacramento views the housing policies as part of the City's overall mission to strengthen neighborhoods, improve liveability and conditions for all residents, and maintain the economic well being of the City and all its residents. Goals, policies and programs are set in the following areas:

- Housing Supply
- Affordability
- Housing Mix and Balance
- Housing Quality and Neighborhood Improvement
- Neighborhood Conservation: Housing Rehabilitation and Energy Efficiency
- Equal Opportunity
- Monitoring and Coordination

### 10.3 PRODUCTION GOALS

As discussed in Chapter 4, the City has set revised local goals for the remainder of this planning period, (1996-1998) of 600 new units per year. The percentage of low and moderate income housing is based on the percentage of unmet need by income category as discussed in Chapter 4. The revised goals are:

#### REVISED HOUSING GOALS FOR THE 1996 to 2000 PERIOD

Income Level	Remaining Units Needed	Percentage of Total	Revised 2 Year Production Goal
Very Low	2,069 units	36%	502 units
Low	640 units	9%	349 units
Moderate	446 units	0%	800 units
Above Mod	5,221 units	55%	749 units
Total	8,376 units	100%	2,400 units

The City has developed strategies to ensure that adequate residential land and supportive

land use policies are in place to meet these goals. As noted in Chapter 5, the City has existing zoned or planned land uses for creating new residential building opportunities totaling in excess of 70,000 new units.

Financing will however, be critical to production of very low income housing. As noted in Chapter 3, Sacramento is fortunate in that market rate housing is generally affordable to moderate income householders and some portion of low income householders. Market rate rents (at any density) are not however, affordable to very low income (50% of median income) without subsidy. This is due to the costs of labor, construction materials and land. Therefore, subsidy for the lowest income must be made available through redevelopment, housing trust funds and state and federal housing programs. The Redevelopment Agency, through their Implementation Plans estimate that funding and programs are available to assist over 500 units over the next four year period (see also Chapter 9) from tax increment funding alone. In addition to public assistance for housing, achievement of these goals will rely on a stronger housing market to support new private market rate housing production.

The City is aggressively pursuing new industry (Packard Bell) and retention of existing (Campbell Soup and Blue Diamond) to off-set economic and employment losses resulting from the closure of three major military bases. "While closure of these bases and other employment losses have undermined housing demand and lowered values in the Sacramento area, the City and SHRA have responded by emphasizing rehabilitation and down payment assistance programs to encourage revitalization, provide new home ownership opportunities for low-income households, and to assist more households for a given dollar value. Through strategic economic and housing planning, the City hopes to re-stabilize the housing market and continue to coordinate housing development with economic development.



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**GOAL 1:      HOUSING SUPPLY:      Provide Adequate Housing Sites and Opportunities for All Households.**

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The Regional Housing Needs allocation indicated that by 1998, an additional 16,751 housing units would be needed to accommodate all households. Population growth trends indicate that Sacramento will need to provide an adequate residential land supply to accommodate a variety of housing types and households of all income levels and sizes. Land will be needed for single family, multi-family, detached, attached, rental, ownership, and large and small housing units. The City is currently actively developing plans to support growth in the City including designation of new areas for development as well as planned re-use of areas. For example, the Community plans for South Sacramento, South Natomas and North Natomas contain policies that encourage the construction of two or more housing types (such as single family and duplex or halfplex units) within projects of twenty or more acres to foster economic diversity and opportunity. The City's vacant residential land inventory indicates that Sacramento is becoming an infill city: a city with scattered parcels available for development. With the exception of North Natomas, few parcels comprising twenty or more acres are available for residential development. In 1991 when the inventory was taken, only forty parcels of twenty to twenty-nine acres were available in Sacramento. There were only forty-nine parcels of thirty acres or more. The inventory indicates that a significant amount (76) of undeveloped single parcels ten to nineteen acres in size still exist within Sacramento. Those parcels (as well as the larger parcels) could adequately accommodate a mix of housing types. These policies are designed to ensure that the City continues to increase the residential holding capacity within the City through various land use opportunities such as promotion of reuse and mixed use projects.

The City will need basic infrastructure and public facility improvements to serve the projected residential development. Needed infrastructure includes transportation, water facilities, sewer collection and drainage, as well as building and siting of public facilities, such as fire stations, schools and libraries. As part of the planning process, the City will continue to assess funding methods for new infrastructure and financing improvement costs which are often seen as a financial constraint to residential development. The City will continue to evaluate the infrastructure needs within community plan areas that are experiencing new growth and consider new funding mechanisms. In particular, the City should work with the school districts to assess and plan for school facilities.

Since the City is an older developed City, re-use, intensification and infill are important strategies to address housing supply. Infill sites are vacant or underutilized urban lots that, if properly developed, could accommodate additional housing as well as assist in neighborhood revitalization and stabilization. Development of these lots could better utilize existing infrastructure and City services, provide additional housing opportunities, and eliminate blight that the underdeveloped lots could be contributing to the neighborhoods. By providing housing in close-in urban areas and helping to reduce commuter trips, residential infill development furthers other important City objectives to improve air quality

and promote public transportation by providing housing near job sites.

Finally, in Chapter 5, it was noted that the City is aggressively planning for new growth in areas such as Southern Pacific/Richards Boulevard, Union Pacific and intensification of residential uses in the Central City. Overall, these new areas alone are estimated to support an additional 18,627 units. Since these re-use and intensification areas are in the early planning phases, application of the policies included in this housing element are timely. Many of the proposed housing supply programs therefore, focus on incorporating housing supply and mix policies to these new areas as more specific planning for the areas evolve.

### **General Housing Supply Policies**

- 1.A The City of Sacramento shall adopt policies, programs and procedures with the intent of achieving its regional fair share housing allocation of affordable housing for all income groups of the City.
- 1.B The City shall maintain an adequate supply of appropriately zoned land with public services to accommodate the projected housing needs in accordance with the General Plan as updated.
- 1.C The City shall ensure that its adopted policies, regulations and procedures do not add unnecessarily to the cost of housing while still attaining other important City objectives.
- 1.D The City shall consider housing opportunities as part of the planning and implementation process for newly annexed or newly developing areas as well as for re-use and intensification areas.
- 1.E The City shall continue to promote appropriate and compatible infill housing.
- 1.F The City shall continue to develop and support transit oriented residential development along transit corridors.
- 1.G The City shall continue to support well designed and compatible second units and carriage homes, and other non conventional housing opportunities such as artist live-work spaces..
- 1.H The City shall continue to remove barriers to new housing development through land use planning and zoning updates, permit streamlining and planning and implementation of infrastructure improvements necessary for new development.
- 1.I The City will continue to offer and implement density bonus provisions for qualifying projects including single family, multi-family, senior housing and other types of housing..

- 1.J The City shall continue programs to ensure the retention of mobile home parks.
- 1.K The City shall continue to monitor the conversion of rental housing to condominiums to protect the rental housing supply.

### **Housing Supply Programs and Actions**

- 1.1 Maintain and expand residentially designated and zoned lands within the City with particular attention to expanding the range and mix of housing sites in new development or re-use areas through the Community Plan Update process and the annexation pre-zoning and planning process. These areas include: Jacinto Creek (South Sacramento annexation area); North Natomas Area, Southern Pacific/Richards Boulevard, Union Pacific, Redevelopment Areas, Infill Areas, transit corridors and existing commercial areas suitable for rezoning for infill and mixed use. In addition, the City can take advantage of ongoing and future planning studies that could result in increased housing supply. Those studies include the R Street Corridor, and the Central City Housing Strategy.

Responsible Entity: City Planning Department in conjunction with SHRA  
Time frame: 1996 and on-going. Jacinto Creek, Southern Pacific/Richards Boulevard, North Natomas planning updates now complete (1995). Transit Corridor planning development and infill are in progress. Mixed use in commercial areas is underway through the Central City Housing Strategy, but needs future application to other areas of the City.  
Desired Result: Create planned opportunities for an additional 18,000 to 20,000 new housing units in a range of types and locations.

- 1.2 Develop locational, site and design criteria for the evaluation of suitable sites for medium to high density development. The criteria should encourage medium-high density housing types on sites within close proximity (1/8-1/4 mile) to light rail transit stations, major bus routes, commercial centers and social service centers. Conduct study and identify potential sites adjacent to transit, employment centers, social services, and commercial shopping centers as areas of housing opportunity. This study would be important to those light rail stations with remaining undeveloped land. Similar work has been completed for North Natomas' future light rail station areas and for the North Sacramento area.

Responsible Entity: City Planning Department (Citywide)  
Time frame: 1996 and on-going. Use North Sacramento Study as a pilot for other areas.  
Desired Result: Identification and consensus on higher density housing location and design.

- 1.3 Complete or initiate sphere of influence and annexation studies within logical growth areas adjacent to the City limits.



Responsible Entity: City Planning Department and LAFCo

Time frame: South Sacramento completed. No immediate annexation actions anticipated at this time.

Desired Result: Use of the pre-zoning process to implement the goals of the General Plan including the Housing Element.

- 1.4 Maintain existing units and increase the supply of affordable housing through redevelopment area revitalization, and acquisition and rehabilitation of substandard/boarded properties. Redevelopment target area improvements; boarded property investment programs; acquisition and rehabilitation financing through local Housing Trust Fund, tax increment, and federal funding.

Responsible Entity: SHRA and City Planning

Time frame: 1996 and on-going

Desired Result: Identify and secure (option, lease or acquisition) suitable sites for affordable housing production and preservation in accordance with the Fair Share Plan and Consolidated Plan.

- 1.5 Revise or complete infrastructure financing plans currently underway for areas of new growth including infrastructure and financing plans for North Natomas and Southern Pacific/Richards Boulevard area.

Responsible Entity: City Finance Department/ Manager's Office (lead) in association with City Planning and SHRA.

Time frame: 1996 and continuing.

Desired Result: Complete and implement financing plan for North Natomas. Complete future phases of SP/ Richards financing plan currently in progress.

- 1.6 Continue to implement, strengthen and refine the City's Infill and Deep Lot Development Ordinances which encourage compatible residential infill development. Create additional incentives for residential infill development to streamline the permit approval process by reducing permit costs as well as time, and institute standards to encourage development that is appropriate for the neighborhood.

Responsible Entity: City Planning Department

Time frame: 1995, 1996

Desired Result: This is currently in progress and should be ready for adoption in 1996.



- 1.8 Identify mitigation measures to meet noise standards for residential infill sites.

Responsible Entity: City Planning, Environmental Division

Time frame: 1996

Desired Result: Standard noise mitigation to facilitate environmental review now completed.

- 1.9 Administer the Artist Live/Work Space Ordinance permitting live/work spaces and arts activities in all residential and nonresidential zones provided certain restrictions are followed.

Responsible Entity: City Planning Department

Time frame: 1996/1997

Desired Result: Regulation development currently in process to allow streamlined permitting for Live/Work space.

- 1.10 Consider implementation of residential mixed use zones in redevelopment areas (such as the Southern Pacific/Richards Boulevard Area, North Sacramento), major employment centers and in the Central City.

Responsible Entity: City Planning Department

Time frame: 1996-1998

Desired Result: Increase residential holding capacity by approximately 30,000 new units as part of the overall effort to rezone for an increased capacity of 60,000+ units (See also land inventory Chapter).

- 1.11 Consider use of the "employment center" concept which allows residential in a business park setting (with a maximum 25% of acreage towards residential use). This would apply the "employment center" concept developed in the North Natomas Community Plan Area citywide.

Responsible Entity: City Planning Department

Time frame: On-going.

Desired Result: Increase flexibility to pursue and integrate residential projects in proximity to large employment zones.

- 1.12 Update and continue to administer the Mobile Home Park regulations, Section 10 of the Zoning Ordinance, regarding development and maintenance of mobile home parks.

Responsible Entity: City Planning Department

Time frame: On-going. No critical regulation updates identified at this time.

Desired Result: Clear and efficient guidelines for development and administration of mobile home parks.

- 1.13 Provide programs to preserve or offer replacement housing to mobile home park tenants.

Responsible Entity: City Planning and SHRA

Time frame: As needed.

Desired Result: Coordinated replacement housing requirements for displaced mobile home tenants.

- 1.14 Continue to implement the state-funded Mobile Home Park Assistance Program (MPAP) which assists low income mobile home park tenants acquire their parks.

Responsible Entity: SHRA (lead) and City Planning Department

Time frame: On-going, as needed.

Desired Result: Stabilize mobile home tenancy through tenant ownership of parks.

- 1.15 Continue to implement the Condominium Conversion Ordinance which regulates the conversion of rental housing to condominiums and new condominium construction.

Responsible Entity: City Planning Department

Time frame: On-going existing program.

Desired Result: Through implementation of the Ordinance, maintain a reasonable balance of rental vs ownership in multi-family housing.

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## **GOAL 2: HOUSING AFFORDABILITY: PROVIDE HOUSING ASSISTANCE TO LOW AND MODERATE INCOME HOUSEHOLDS**

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New programs are needed to reinforce existing programs that increase Sacramento's affordable housing supply in order to meet the estimated 1989-1996 regional housing need of 9,410 new housing units affordable to very low, low and moderate income households. The Sacramento Housing and Redevelopment Agency's affordable housing strategies will result in new construction of rental and owner housing, single family and multi-family units, and residential hotel (SRO) units.

Development and adoption of an inclusionary housing policy and ordinance is one way to provide affordable housing units in all major housing projects. In September 1991, the City Council passed a resolution directing Redevelopment Agency and City Planning Department staff to prepare a policy and ordinance that would meet the following primary objectives and assist the City in providing an affordable housing supply.

### **Housing Affordability Policies**

- 2A The City shall continue to increase affordable housing opportunities in new developments by implementing its Affordable Housing Finance Policies to ensure a fair share distribution of affordable housing throughout Sacramento communities.
- 2.B The City shall support programs that increase owner-occupancy rates, such as down payment assistance and mortgage credit certificates for low-income households who are first-time home buyers.
- 2.C The City shall continue to provide appropriate financial and development incentives to rehabilitate deteriorated housing and promote development of affordable housing and to seek new sources of funding for these purposes.
- 2.D The City shall continue to support community based nonprofit organizations that develop affordable housing.
- 2.E The City shall aggressively pursue and minimize the use of Housing Trust Fund, tax increment, and all appropriate state, federal, and private funding for the development and rehabilitation of housing affordable to low and moderate income households.

### **Housing Affordability Programs and Actions**

- 2.1 Participate in the Sacramento County Regional Sanitation Board's fee waiver and deferral program for impact fees for affordable housing developments.
  - Responsible Entity: City Planning
  - Time frame: June 1997

Desired Result: Monetary incentives for the development of affordable housing in the City.

Responsible Entity: City Planning Department and SHRA

Time frame: 1996/1997.

Desired Result: Consultative with the County to develop a regional and coordinated affordable housing strategy.

- 2.2 Continue to offer density bonus and other financial incentives, as designated under the State Density Bonus Law, for projects providing units affordable to low, very low income or senior households.

Responsible Entity: City Planning Department

Time frame: On-going existing program.

Desired Result: Provide incentives for developers to provide mixed income housing. Coordinate program with other efforts to increase density in appropriate areas such as transit corridors.

- 2.3 Continue to waive water development fees for projects located on designated infill sites or within infill areas.

Responsible Entity: City Planning Department

Time frame: On-going existing program.

Desired Result: Reduce processing costs for affordable housing.

- 2.4 Continue to provide housing information and referral services on affordable housing opportunities.

Responsible Entity: SHRA and Community Services Planning Council

Time frame: On-going existing program known as the Community Information Center (CIC)

Desired Result: Consolidated "one stop" information center for housing information regarding housing availability, programs and services.

- 2.5 Continue developing, funding and implementing programs that provide services supporting affordable housing.

Responsible Entity: SHRA and non-profit sponsors

Time frame: On-going existing programs. Operation Bootstrap, Child Development Center, Housing Relocation Assistance, counseling and job assistance for the homeless and mentally ill.. (SHRA administers several other housing support programs).

Desired Result: Continue SHRA's efforts to provide supportive services in conjunction with shelter and housing for persons with special housing needs. This will require SHRA to maintain their existing grant writing staff to assemble the partnerships and information needed to secure funding for



these types of programs.

- 2.6 Aggressively pursue innovative financing and ownership alternatives to protect the quality of public housing, its services to residents, and its afford ability to very low-income people.

Responsible Entity: SHRA

Time frame: Ongoing

Desired Result: Innovative approaches will be pursued to protect the financial viability and management of public housing, including sale of single-family properties to existing tenants and work incentive programs.

- 2.7 Nonprofit operating grants. In collaboration with interested nonprofit, SHRA is recommending an RFP process for awarded operating assistance grants for specific projects being carried by qualified nonprofit corporations. Funds are provided through the CDBG program.

Responsible Entity: SHRA

Time frame: January 1997

Desired Result: Nonprofit operating grant program will support vital projects or programs, awarded competitively, with sound performance standards.

- 2.8 Involve nonprofit housing organizations and the community at-large in participating in the new three year plan for the expenditure of federal funds.

Responsible Entity: SHRA

Time frame: April - July 1997

Desired Result: New community needs assessment to guide program funding.

- 2.81 Participate with nonprofit housing corporations to determine new financing sources to preserve federally assisted housing whose prepayment will displace low-income tenants.

Responsible Entity: SHRA

Time frame: Ongoing

Desired Result: Preserve afford ability and finance rehabilitation of subsidized housing developments prepaying mortgages.

- 2.9 Promote partnerships between lending institutions, developers, housing interest groups and the community to encourage sufficient availability of financing for affordable housing projects and encourage the Federal Reserve Bank, Office of Thrift Supervision, Federal Deposit Insurance Corporation, and the Federal Home Loan Bank of San Francisco monitor the performance of local lenders for compliance with the community Reinvestment Act of 1977 (CRA), which requires their involvement in programs designed to meet Sacramento's community

development and investment needs.

The Northern California Reinvestment Consortium's lending pool became operational in 1996, led by SHRA and local lenders. Construction financing for affordable housing is provided through the fund, with loan packaging performed by the San Francisco-based Low-Income Housing Fund.

Responsible Entities: SHRA and local lenders

Time frame: On-going

Desired Result: Continue SHRA's efforts to increase affordable housing lending through the Northern California Loan Pool and marketing efforts with regulated financial institutions

- 2.10 Promote non-profit financial, management and project administration capacity building.

Desired Result: Support technical assistance through SHRA's operating grant program.

- 2.10.1 Maintain a public, competitive funding process for affordable housing through the issuance of Notices of Funding Availability (NOFA).

Responsible Entity: SHRA

Time frame: On-going

Desired Result: Clear funding standards and regularly scheduled application periods will assist developers in planning quality projects.

- 2.10.2 Develop new partnership program with lenders to help prevent deterioration of financially troubled properties.

- 2.11 Increase housing affordable to low and moderate income households in existing and future redevelopment target areas through implementation of the Implementation Plans prepared pursuant to Article 16.5 of the Community Redevelopment Law.

Responsible Entity: SHRA.

Time frame: 1996 and on-going.

Desired Result: Production of 450 to 500 new affordable housing units by year 2000 as called for in the Implementation Plans.

The City currently offers developers a maximum 25% density increase for residential projects that provide a minimum percentage of total housing units to lower income households or senior citizens. In addition, the City's existing infill program offers a density bonus increase to developers proposing residential projects on designated infill sites or within infill areas. The water development fee is also waived for residential infill sites. The City is considering amending the infill program to offer more density flexibility, such as a density increase or decrease, as an incentive to promote housing development. The ordinance amendments would specify conditions under which the potential change in

density would apply. In addition to greater density flexibility, the City is considering other incentives, such as permit streamlining, to encourage infill development. Besides the water development fee waiver, the City gives the Planning Director the ability to waive or reduce planning entitlement fees for residential projects intended for low or moderate income households. These fee waivers reduce development costs and contribute towards long term housing affordability.

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**GOAL 3:      HOUSING MIX, BALANCE AND NEIGHBORHOOD COMPATIBILITY:  
Promote a variety of housing types within neighborhoods to  
encourage economic diversity and housing choice.**

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The City of Sacramento, as historically developed, includes many different types of neighborhoods. Some areas currently have an over-concentration of certain housing types. It is the goal of the City to strengthen and stabilize neighborhoods, and increase housing choice by providing a range of housing through-out the City. The City should consider careful application of this policy on a neighborhood-by-neighborhood basis. Certain neighborhoods with their fair share of rental and higher density housing have expressed concern over accruing additional multi-family housing. South Natomas, North Sacramento and Airport Meadowview, for instance, are attempting to balance the need for mixed housing types with other concerns, such as ownership and move-up opportunities. Currently, the Sacramento Housing and Redevelopment Agency (SHRA) currently administers a Fair Share Plan (FSP) governing the distribution of publicly assisted housing. The FSP is designed to identify areas of the City which are "under served" for assisted housing and those which are "over-served". The current FSP adopted in 1979, is based on Community Plan Area and assesses a number of factors such as assisted housing units as a percent of population; average rent; average housing price and AFDC recipients as a percent of population. While the existing FSP assessment factors are reasonable, they are also cumbersome to administer. Efforts by SHRA are currently underway to revise and improve the FSP to be based on Census Tracts and to base the FSP on two major thresholds: 1) income of the Census Tract is over 80% of median income and 2) at least 55% of the total housing units are owner occupied. Areas which meet one or both of these two criteria are subject to the Fair Share Plan. Areas which do not meet these thresholds are excluded, except that public subsidies for low income home ownership are proposed even in areas which are "over-served". Nothing in the existing or proposed Fair Share Plan restricts private development (without public subsidy).

**General Housing Mix and Balance Policies**

- 3.A The City shall take into account, in future community plan updates, including fair share housing needs within each neighborhood. As appropriate, include policies that encourage development of a variety of housing types in large subdivisions.
- 3.B The City shall encourage the development of a variety of housing styles and lot sizes to accommodate residents who wish to "move-up" within their community plan area.

**Programs**

- 3.1 The City shall continue to update and implement the fair share housing plan to guide the location of public assisted housing throughout the City. It is recommended that the City and SHRA update the Fair Share Plan to be based on



Census Tract rather than community plan area and include other factors of neighborhood stability such as the percentage of owner-occupied housing.

Responsible Entity: SHRA

Time frame: 1996 and on-going.

Desired Result: Updated City/County Fair Share Plan adopted with a strong community outreach process so that some consensus and public education regarding fair share planning is undertaken.

- 3.2 The City shall ensure that newly developing areas with unique circumstances are addressed in the Fair Share Plan. Include Census Tract 70.03 in the North Natomas Area as a Fair Share Service area because the area is less than 35% developed, and includes vacant lands which would be appropriate for mixed income development.

Responsible Entity: SHRA.

Time frame: 1996 and on-going.

Desired Result: The proposed Fair Share Housing Plan excludes this Census Tract in North Natomas based on the new formula or method for assessing census tracts.. However, because this area is largely vacant, an exception to the proposed Fair Share Plan formula should be made to include this area as an area suitable for mixed income housing.

- 3.3 Include mixed income housing developments in new areas and encourage step-up housing in existing areas which have predominantly low and moderate income housing. This can be accomplished by planning public amenities (siting parks, golf courses and other facilities to create new market conditions) to support middle and upper end housing in weaker market areas, and by conscientiously working with lenders and developers to make and investment in the diversification of areas.

Responsible Entity: City Planning (lead) with assistance from Department of Neighborhoods, SHRA and City Public Works

Time frame: 1996 and on-going.

Desired Result: Many neighborhood areas of Sacramento are predominantly low or moderate income. Equally important to the concept of fair share distribution of low income housing is economic diversification and stabilization of low income areas. Through actions of SHRA and the City in coordination with lenders and developers efforts should be made to provide opportunities for step-up housing where ever possible in low and moderate income neighborhoods.

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## **GOAL 4: MITIGATE GOVERNMENTAL AND NONGOVERNMENTAL CONSTRAINTS IN THE DEVELOPMENT AND ASSISTANCE OF HOUSING**

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The City recognizes that government fees and processing procedures contribute to the cost of housing, thereby affecting housing affordability for some households. At the same time, the City has a responsibility to fund essential services (with limited tax revenue) and assure that adequate service levels are maintained and State environmental and planning laws are followed. Nongovernmental constraints such as land supply and construction costs, and lack of financing act as additional barriers to housing development. Mitigation of these potential constraints could facilitate the production and rehabilitation of housing and still support and encourage public participation.

Delegating the level of decision-making from the Council to the Commission or staff on permit processing could reduce development costs by reducing time and fees. An improved pre-application process also includes early staff identification of planning and building issues and potential options. The City could further expedite the permit process by continuing to offer centralized permit processing and concurrent review of multiple permits.

The City recently made efforts to streamline the review and approval process by establishing an "application review task force", a multi-department group whose purpose was to assess the process and recommend improvements. This task force proposed the following goals:

- ◆ Delegate decision-making at the earliest and most appropriate point in the process.
- ◆ Provide comprehensive and timely processing of applications.
- ◆ Build a process which keeps the applicant advised.
- ◆ Involve interested parties at the earliest point; keep community groups informed.

The task force members recommended several implementation measures to achieve these goals; the major recommendations follow, along with other programs the City could implement to streamline the process.

### **Policies**

- 4.A The City shall continue to streamline the permit application process to reduce the length of time for review and approval.
- 4.B The City shall provide for early notification and consultation with appropriate neighborhood organizations to facilitate resolution of land use issues.

- 4.C The City shall continue to require adequate flood protection to justify removal of the residential building restrictions in the Natomas area.

## Programs

- 4.1 Identify areas of the City's Zoning Ordinance where standards need to be changed to reflect new housing trends, to provide greater flexibility to foster innovation in design and for older, established areas, to retain the unique characteristics of those areas. The Zoning Administrator function should be expanded to address this need.

Responsible Entity: City Planning.

Time frame: 1996/1997

Desired Result: Updated development standards for residential construction that will result in a significant reduction in the number of applications for zoning entitlements to build homes -- streamlined processing for development proposals which meet all standards, and are consistent with, or an improvement to, the surrounding neighborhood. (NOTE: The Zoning Administrator function has recently been established and has reduced processing time and fees considerably.)

- 4.2 Continue to implement the early policy review process whereby the Planning Commission and City Council review projects with major policy and land use issues and advise the applicant of policy areas that he or she needs to address prior to the formal application review.

Responsible Entity: City Planning.

Time frame: 1996 and on-going.

Desired Result: This is an existing program which helps to identify planning and community issues early in the process so that problems can be efficiently resolved and processing time is shortened.

- 4.3 Develop a streamlined, but effective process for involving neighborhoods in land use decisions affecting their area. Concepts for implementation include: Notify neighborhood associations early in the review of Rezoning, Special Permit, Variance, Plan Amendment, and "R" Review planning entitlement applications. Amending the Zoning Ordinance to extend the mailing notification radii for certain planning entitlement applications. Providing forums to encourage and promote dialogue between the applicant/developer and the neighborhood. The City recently completed a study on the creation and implementation of an early notification system to inform the public of forthcoming development projects within their neighborhood. This action was in response to neighborhood organizations throughout Sacramento requesting the opportunity to have input in both new and redevelopment projects affecting their membership or environs. A task force comprised of City staff, neighborhood associations and building industry representatives reached the consensus that establishment of an early notification system would benefit all involved parties and eliminate later delays in the review



and approval process.

Responsible Entity: City Planning Department and Department of Neighborhoods

Time frame: 1996 and on-going.

Desired Result: This process is now in place as a result of the recent creation of the Neighborhood Development Department.

- 4.4 Establish an interdepartmental committee to coordinate early review of development projects and address policy concerns. That committee consists of the Planning and Development, Public works, and other City departments involved with the building and planning process.

Responsible Entity: City Planning and related regulatory departments.

Time frame: 1996 and on-going.

Desired Result: The Interdepartmental Planning Policy Review Committee is in place to coordinate input on new projects. Additionally, the City has recently re-organized the "front counter" functions to include planning, building, transportation and traffic representatives in a "one-stop" shop.

- 4.5 Amend and implement the City's Subdivision Ordinance Regulations to streamline the map process and reflect current development and infrastructure standards. (See also program 4.10)

Responsible Entity: City Planning and Public Works Department.

Time frame: 1996/1997 and on-going.

Desired Result: Provide flexibility in development standards so that new subdivisions are compatible with existing neighborhood conditions. Also provide flexibility in the types of infra-structure improvements necessary. For example, flexibility in roadway widths would, in some instances, reduce costs and allow a more intimate neighborhood environment.

- 4.6 Study and implement potential reductions of permit fees to remedy smaller residential project inequities.

Responsible Entity: City Planning and Public Works Departments.

Time frame: 1996 and on-going.

Desired Result: In coordination with the Public Works Department review fees associated with smaller projects, particularly infill projects. Reduce any excesses, and where possible provide fee waivers or incentives for projects which meet the goals of the Housing Element, or conform to infill development design criteria.

- 4.7 Work with SAFCA and other responsible agencies to resolve flood plain restrictions which affect major portions of the City and restrict residential development in the Natomas areas. Actions include: 1) Complete the Sacramento River levee



stabilization project. 2) Begin construction of needed improvements along the perimeter levee system protecting Natomas. 3) Implement permanent protection plan along the main stem of the American River as authorized by Congress and, 4) Modify operation of Folsom Dam and Reservoir to provide a minimum 100-year level of flood protection on an interim basis until such time as permanent protection is available.

Responsible Entity: City Manager's Office, Public Works Department, SAFCA and Army Corps of Engineers.

Time frame: 1996 and on-going.

Desired Result: Sacramento levee improvements and Folsom Dam re-operation are now in place. Work continues on the larger issues of drainage financing for North Natomas (Assessment District approach) and the Auburn Dam.

- 4.8 Study and modify infrastructure standards, including major street construction, local street widths, sizing of streets based on TSM trip reductions, curb, gutter and sidewalk requirements. Modification of existing development standards could increase overall housing efficiencies and productivity. The City could modify certain infrastructure standards to allow more flexibility and encourage residential development. Reduction of street widths, for instance, might increase the number of lots available for development. The City could also consider relaxing specific land use and zoning controls in certain circumstances to promote housing development. For instance, it might be beneficial to the City to reduce setback and lot coverage requirements in certain areas. Recently adopted and ongoing studies, such as the Central City Housing Strategy and Infill Program, have examined the possibility of adjusting various standards to promote housing production that might be good models for modification of other development standards in the city. (See also program 4.7)

Responsible Entity: City Planning and Public Works Department.

Time frame: 1996/1997 and on-going.

Desired Result: Provide flexibility in development standards so that new subdivisions are compatible with existing neighborhood conditions. Also provide flexibility in the types of infra-structure improvements necessary. For example, flexibility in roadway widths would, in some instances, reduce costs and allow a more intimate neighborhood environment.

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## GOAL 5: HOUSING QUALITY AND NEIGHBORHOOD IMPROVEMENT

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Sacramento is a community of distinct neighborhoods. An emphasis of the City's current mission and policy is based on improving conditions for all people through improvement and strengthening of our neighborhoods. Since neighborhoods are the "living spaces" for residents of Sacramento, housing policy plays a critical role in neighborhood improvement strategies and vice versa.

In this respect, the design of new housing and infill housing is important to neighborhood stability and improvement. For example, the City's residential infill program was adopted in 1983 to promote use of areas and sites that have been skipped over for development. Since its inception, the program has had minimal success. Further, many view the program as a promotion of unwanted increased densities, rental housing and as a program that often results in housing of minimal quality. Infill sites are vacant or underutilized urban lots that, if properly developed, could accommodate additional housing as well as assist in neighborhood revitalization and stabilization. Development of these lots could better utilize existing infrastructure and City services, provide additional housing opportunities, and eliminate blight that the underdeveloped lots could be contributing to the neighborhoods. By providing housing in close-in urban areas and helping to reduce commuter trips, residential infill development furthers other important City objectives to improve air quality and promote public transportation by providing housing near job sites. The programs described below will tailor the existing infill program to neighborhoods and specific communities. Because of the sensitivity of introducing new buildings in established neighborhoods, efforts must be made to ensure that new housing respects the historic patterns of a neighborhood and the community's design fabric. The Planning Department is interested in developing flexible guidelines to help new infill projects successfully integrate into existing communities.

Design, intensity and siting of multi-family projects is also a concern. As noted in Chapters 2 and 3, nearly 10,000 units of multi-family housing (5 units or more) were produced in the City of Sacramento over the last decade. While this was beneficial to the overall housing supply, in many cases, these units were too densely concentrated in certain areas of the City or lacked design guidance. As a result, the City now confronts substantial community opposition regarding the development of new multi-family housing. Rather the community is requesting that guidelines for concentration of multifamily housing, design and management be developed. Policies and programs are included in this section, to address some of these issues.

There are several neighborhoods with a large supply of affordable housing in need of rehabilitation. The City has recently instituted programs targeting a wide variety of problems that directly or indirectly affect housing conditions within those communities. Some programs described in this section, such as the Infill Program, strengthen existing older neighborhoods and others, such as the newly adopted early notification system,

attempt to inform neighborhood residents and organizations of development and land use projects. While all of the goals, policies and programs addressed in this Element pertain to revitalization and stabilization, the programs below directly assist neighborhoods, especially those that are at a crux in their social and economic survival.

A pilot program which the City is implementing in the Alkali Flat and Mansion Flats neighborhoods is the Neighborhood Reclamation and Protection Plan (NRPP). Its purpose is to control and successfully eliminate gangs and drug problems in the area. Various City departments are working with the community residents to analyze the problems and identify resources to solve them. The City and community will continue to work together to develop and implement an action plan. Consideration should be given to expanding this program to other neighborhoods with similar problems.

## **Policies**

- 5.A The City shall continue to encourage residential development of high architectural and structural quality which is compatible with neighboring land uses.
- 5.B The City shall continue to work with neighborhood residents in ensuring that all our neighborhoods are safe, decent and pleasant places to live and work. This includes working with schools, community oriented policing, addressing problem properties, and ensuring new development is compatible with existing neighborhoods.
- 5.C As a municipal government, the City of Sacramento shall continue to develop new means of including the community and neighborhoods in the planning and delivery of public services
- 5.D Promote quality residential infill development in infill areas or designated infill sites through flexible development standards.
- 5.E Revise the existing multi-family guidelines to be more functional and holistic. The Guidelines should incorporate positive suggestions and performance criteria for the development to serve as a small "community" for residents.

## **Programs**

- 5.1 The City shall continue to provide and improve the Design Review program of the City. In particular, the City shall develop Design Guidelines to help standardize design expectations and shall investigate alternative administrative processes for small project design review. Currently the City is developing Design Guidelines for the Central City to help simplify and clarify design standards for development in this area. Additionally, the City is studying the development of an administrative (staff level) design review process for the north are of Sacramento (north of the American River). This would eliminate the need for full Design Review Board review for small projects or projects which reasonably conform to design guidelines. In all these



efforts, the City is seeking to streamline the process without sacrificing good quality design and public process.

Responsible Entity: City Planning Department.

Time frame: 1995/1996 and on-going.

Desired Result: Develop clear and easily understood design guidelines and develop streamlined methods to implement the guidelines.

5.2 Continue to implement and strengthen the City's Infill and Deep Lot Development Ordinances that encourage compatible residential infill development. Create additional incentives for residential infill development to streamline the permit approval process by reducing permit costs and time, and institute flexibility to encourage development that is appropriate for the neighborhood. Modify the City's existing infill program to accomplish the following objectives:

- Tie the incentives to achieving a quality project that compliments the neighborhood. Quality should be exhibited in product design, type and variety of materials and orientation to the street.
- Provide increased flexibility within the Zoning Ordinance to develop in a manner consistent with the surrounding neighborhood. For example, offer flexibility by modification of setback, lot size and lot coverage development standards.
- Offer parcels with constraining shapes the ability to utilize more flexible street standards in the existing infill program, e.g., street widths and street improvements.
- Add the ability to offer a streamlined process for adjusting a project's permitted densities (higher or lower) when needed to move forward with a project that is compatible with the neighborhood setting.
- Identify who has the responsibility for coordinating and promoting the program.
- Tie the water development fee waiver and other incentives to achieving a quality project that compliments the neighborhood.
- Provide updated information about the location of infill areas and sites. For example, amend the General Plan's infill map to reflect infill areas.
- Besides the waiver of water hook-up fees, investigate other City and non-City financial incentives for the program.

Responsible Entity: City Planning Department.



Time frame: 1995/1996 and on-going.

Desired Result: Update and refined infill housing policies that streamline the development process and resolve neighborhood concerns regarding infill housing.

- 5.3 Revise and expand the City's Multifamily Development Guidelines to be more comprehensive. The guidelines should serve as a handbook for developers and managers on successful implementation of multi-family communities. In addition to guidelines for siting to avoid over-concentration, and design standards, the revised Multi-Family Housing Guidelines should include methods to improve security and reduce crime on site (through safety by design, development of Resident/Tenant Neighborhood Watch Groups, closer cooperation with Community Oriented Police officers); and means of encouraging tenants to become "stakeholders" in their neighborhood through neighborhood associations, or new forms of housing ownership for multi-family projects. Management guidelines and suggestions should be incorporated based on the input of the SVAA, SHRA and Neighborhood Services Department.

Responsible Entity: City Planning Department.

Time frame: 1996/1997 and on-going.

Desired Result: Establish clear guidelines and a "user friendly" handbook regarding multi-family housing. The handbook should include clear siting and design criteria, and good, cost effective management strategies.

- 5.4 Continue to implement the Problem-Oriented Policing (POP) Program, a multi-departmental effort to improve city neighborhoods and abate various code violations.

Responsible Entity: City Police Department and Neighborhood Services Department.

Time frame: 1996 (existing program)

Desired Result: Early and efficient resolution of problem property cases such as drug houses and health and safety violations.

- 5.5 Continue to implement the Neighborhood Reclamation and Protection Plan (NRPP), a multi-departmental program designed to control and rid targeted neighborhoods of gangs and drugs.

Responsible Entity: SHRA and Neighborhood Services Department

Time frame: 1996 (existing program).

Desired Result: Strengthen existing troubled neighborhoods through weeding out of problems and development of positive neighborhood capacities and assets.

- 5.6 Reorganize the Planning Division into geographic teams to improve planning decisions within the City's diverse neighborhoods.

Responsible Entity: City Planning Department.

Time frame: 1996 (completed)

Desired Result: Develop geographic teams to be more knowledgeable and accessible to neighborhood residents. Promote better consensus and dialog regarding neighborhood development.

- 5.7 Implement neighborhood revitalization and preservation recommendations for the Central City.

Responsible Entity: City Planning Department.

Time frame: 1995/1996 and on-going.

Desired Result: Implementation of the Central City Housing Strategy (rezoning to preserve housing sites) currently underway. Central City design guidelines in progress.

- 5.8 Support programs enabling low and moderate income households to become home owners and thereby help conserve affordable housing. The Mortgage Credit Certificate Program targets ownership of existing housing within certain neighborhoods. Existing programs: Mortgage Credit Certificates (MCCs), Community Home Buyers Program, Self-Help Housing Program, Mutual Housing and co-housing.

Responsible Entity: SHRA, City Planning Department and housing sponsors.

Time frame: 1995/1996 and on-going.

Desired Result: Increased ownership opportunities and choices for all residents of the City. More stable neighborhoods.

- 5.9 Continue systematic building code enforcement to preserve and restore housing and thereby help strengthen residential neighborhoods.

Responsible Entity: City Building Division and Neighborhood Services Department.

Time frame: 1996 and on-going.

Desired Result: Proactive and systematic inspections and enforcement of basic health and safety codes to preserve housing and prevent neighborhood decline.

- 5.10 Develop and implement locational criteria for the siting and integration of social service care facilities in residential neighborhoods.

Responsible Entity: City Planning Department.

Time frame: 1995/1996 and on-going. Social Service study and zoning amendments currently in progress.

Desired Result: Develop clear and easily understood siting guidelines which ensure a logical fair share distribution of social services.

- 5.11 Where needed, implement the Rent Escrow Account Program (REAP) which would enable tenants to voluntarily place rent in an escrow account in the event identified code violations are not resolved by the landlord.

Responsible Entity: City Attorney's Office, Neighborhood Services Department, SHRA, Legal Services of Northern California and Human Rights Fair Housing Commission.

Time frame: 1995/1996 and on-going.

Desired Result: Empower tenants to take immediate action to correct health and safety violations.

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## **GOAL 6: CONSERVE SACRAMENTO NEIGHBORHOODS AND REHABILITATE AFFORDABLE HOUSING**

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Given the financing and construction expenses of new housing, the existing housing supply is the City's best source of housing affordable to lower income households. Ongoing and new programs targeted to maintain the existing housing stock could result in retention of affordable housing and avoid tenant displacement. The City should target rehabilitation of housing units, especially those affordable to lower income households, in need of repair. Approximately 12,000 existing housing units in the City need some degree of rehabilitation; fifty percent are renter-occupied. There is a continuing need for housing rehabilitation to avoid major expenses associated with demolition or new housing construction.

A key ingredient in successful housing preservation is the participation of the diverse neighborhoods throughout Sacramento. The City should work cooperatively with its neighborhoods, as well as with other participants, to rehabilitate the existing housing supply. A large percentage of Sacramento's affordable housing are located within neighborhoods which investors and policy-makers have traditionally ignored. The City needs to recognize that neighborhoods and their residents, as well as the investment and development community, must be included in policy decisions in order for successful implementation to occur. Even stable neighborhoods and communities that are currently not in need of revitalization assistance should participate in the City's ongoing housing preservation process. Through outreach efforts, the City will be able to reinforce the sense of community.

### **Policies**

- 6.A Revitalize and improve the quality of existing Sacramento neighborhoods.
- 6.B Develop programs to retain the existing assisted housing stock (opt-out units) which may be converted to market rate housing.
- 6.C Provide programs to preserve the existing stock of single room occupancy units (SROs).
- 6.D Monitor programs to ensure the retention of mobile home parks.
- 6.E Monitor the conversion of rental housing to condominiums to protect the rental housing supply.
- 6.F Preserve landmark and historic residential buildings.

### **Programs**

- 6.1 Continue to implement the Neighborhood Paint Program.



Responsible Entity: SHRA

Time frame: 1996 (existing program)

Desired Result: Affordable means for low and moderate income households to weatherize and improve their homes.

- 6.2 Continue to support and seek financing for the rehabilitation of owner-occupied homes and multi-family rental. CDBG, tax increment, HOME funds and others should continue to be pursued to support these programs.

Responsible Entity: SHRA

Time frame: 1996 (existing programs)

Desired Result: Affordable financing to improve blighted properties and correct health and safety deficiencies.

- 6.3 To the extent feasible establish a proactive rental inspection program to ensure rental housing maintenance. This may require a fee to support inspection services. Careful consideration of the fee structure should be given to avoid increasing the costs of rental housing. Also, consider a "self-certification" program for landlords that participate in a maintenance/management training program. The Sacramento Valley Apartment Owner's Association is currently working on such a program.

Responsible Entity: SHRA

Time frame: 1996/97

Desired Result: Maintain the quality of existing multi-family units and avoid deferred maintenance.

- 6.4 Preserve privately owned HUD-financed low income housing projects that are at risk of conversion to market rate housing through monitoring opt out legislation, pending contract expirations, and proactive finance programs to stabilize affordability.

Responsible Entity: SHRA

Time frame: 1996 and on-going

Desired Result: Preserve existing subsidized housing units through proactive efforts to monitor and respond to "opt out" requests.

- 6.5 Continue to implement the Moderate Rehabilitation and Rental Rehabilitation programs through SHRA and continue to aggressively pursue funding through public grants, and private leverage agreements.

Responsible Entity: SHRA

Time frame: 1996 (existing program)

Desired Result: Continued housing rehabilitation housing production to conserve and improve the existing housing stock.

- 6.6 Implement the Residential Hotel Construction and Rehabilitation Program, adopted by

Council in 1990, to establish and preserve residential hotels in Sacramento.

Responsible Entity: SHRA

Time frame: 1996 and on-going

Desired Result: Continue to preserve existing residential hotels, strengthen code enforcement and continue to explore the feasibility of constructing new affordable SRO's with provision of social services..

- 6.7 Implement the residential hotels construction standards as amended by City Council in the Sacramento Building Code.

Responsible Entity: SHRA and City Building Inspectors

Time frame: 1995/1996 (existing program)

Desired Result: Facilitate preservation of existing residential hotels and facilitate construction of new affordable SRO's.

- 6.8 Continue to review proposed buildings and modifications of buildings (including demolitions of potential historic or known historic structures) within designated design review districts and preservation districts. .

Responsible Entity: City Planning Department

Time frame: 1996 (on-going program)

Desired Result: Preservation of historic buildings and preservation of the integrity of historic or special design districts of the City.

- 6.9 Develop and support a heritage trust fund.

Responsible Entity: SHRA and Sacramento Heritage, Inc. (local non-profit)

Time frame: 1996

Desired Result: Development of additional financing to help pro-actively support the preservation or restoration of historic properties. In late 1995, the "Fainted Ladies" historic rehabilitation assistance program was established through SHRA and Sacramento Heritage.

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## **GOAL 7: PRESERVE AND DEVELOP HOUSING OPPORTUNITIES FOR PERSONS WITH SPECIAL NEEDS**

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The City has identified populations with special housing needs and has implemented programs to address their needs. Those groups include the disabled, elderly, large families, families with female heads of households, and families and persons in need of emergency shelter. (Section 3 details the special housing needs of Sacramento's homeless population). The Sacramento Housing and Redevelopment Agency plays a crucial role in implementation of programs designed to assist Sacramento's special needs population. The Agency operates and oversees a variety of housing programs and supportive services targeting the homeless, elderly, disabled, mentally ill, AIDS patients, new large and small households, and those most at risk of becoming homeless or displaced. Through its efforts targeting the latter group, the City is ensuring that the larger group of households and individuals with special housing needs remain in decent affordable housing. Homelessness and its contributing factors continue to be a pervasive problem in Sacramento. Emergency housing and related assistance to homeless individuals and families are currently provided by the City. However, in recognition that prevention of homelessness is the best solution to the problem, priority is being given to a preventative approach to serve those most at risk of becoming homeless or displaced. This approach involves housing construction and rehabilitation and administration of social services to ensure that residents remain housed.

In response to the impact of the public inebriate and homeless on downtown neighborhoods, the City plans to consolidate facilities and services for the homeless in the Richards Boulevard area near 12th and North B Streets. (See Program 4 below). This multi-service campus will house a new social services complex, emergency shelters for the homeless, a detoxification/recovery facility, and centralized services for shelter and non-shelter participants. The site will also contain low-cost "cottage" dwellings for individuals and families who are making a transition from homelessness to mainstream lifestyles. Consolidation and integration of services in the Richards Boulevard area will assist Sacramento and the Redevelopment Agency to effectively serve the homeless over the next twenty years. More importantly, through this comprehensive program, the City of Sacramento will achieve several of its affordable housing goals and help prevent homelessness.

## Policies

- 7.A Provide shelter services to the homeless and support programs that address the causes of homelessness.
- 7.B Encourage a variety of housing types for households with special housing needs, including large families.

## Programs

- 7.1 Continue to provide and expand emergency shelter facilities for the homeless population through the SHRA Homeless Program and their affiliated non-profit sponsors.

Responsible Entity: SHRA and affiliated non-profit sponsors

Time frame: 1996 and on-going

Desired Result: Continued funding and operation of existing network of emergency shelters

- 7.2 Continue to support and expand transitional housing programs that enable homeless individuals and households to move into permanent housing. Existing programs: Transitional housing programs (such as Shared Housing and Resources Empowerment (SHARE), Independent Living Readiness Pilot Program (ILRP), Transitional Living and Community Support, Resources for Independent Living, and Transitional Housing Program for Families). SHRA has recently been approved for a multi-million dollar grant to create a comprehensive transitional housing program at Mather AFB. The program comes with supportive counseling and job training.

Responsible Entity: SHRA and affiliated non-profit sponsors

Time frame: 1996 and on-going

Desired Result: Continued funding and operation of existing network of transitional housing programs.

- 7.3 Expand permanent housing opportunities available through the Homeless Program and support its homeless prevention efforts.
  - Fund and implement a homelessness prevention program. For example, efforts to maintain low income persons in housing should be reviewed. For example, a security deposit guarantee program, in conjunction with the Department of Social Services, could be established that would guarantee the cost of the security deposit to the participating landlord in the event of tenant default. In return, the tenant makes monthly installments to the landlord toward the deposit cost.
  - Continue to provide certificates and vouchers to assist families at risk of



being separated due to homelessness or impending homelessness.

- Continue transitional housing support service programs which prepare homeless persons (through job training and counseling) to re-enter stable housing and job situations.

Responsible Entity: SHRA and affiliated non-profit sponsors

Time frame: 1996 and on-going

Desired Result: Continued funding and operation of existing network of emergency shelters, and increased linkages between transitional housing programs and permanent housing opportunities.

- 7.4 Implement policy within the Richards Boulevard Area Plan to consolidate social service providers within the planning area to enable the homeless to obtain food, shelter and other services in a single location. Also recommended is the development of a detox facility on site to assist homeless substance abusers. This will diminish the need for homeless individuals and families to travel widely through the city for services.

Responsible Entity: SHRA and affiliated non-profit sponsors

Time frame: 1996 and on-going

Desired Result: Predevelopment planning and site acquisition and assembly for the social services complex.

- 7.5 Continue to promote the concept of co-housing and facilitate development of co-housing projects throughout the city. Support the development of housing cooperatives which offer residents (of all income levels) the opportunity to participate in the management and operations of the cooperative. Cooperative housing can be tailored to meet the needs of several special populations. For example, River City Co-housing includes cooperative child care and play areas and serves families with children.

Responsible Entity: SHRA and affiliated non-profit sponsors (such as the Mutual Housing Association)

Time frame: 1996 and on-going

Desired Result: Increased formation of mutual and cooperative groups willing to participate in the development of cooperative housing.

- 7.6 Continue to implement the strategies of the SHRA's Consolidated Plan for Housing and Community Development. The "Consolidated Plan" discusses several housing initiatives for special need populations including the development of housing for the homeless, the mentally ill and persons with AIDS. SHRA is actively pursuing funding and programs for these special needs populations.

Responsible Entity: SHRA and affiliated non-profit sponsors

Time frame: 1996 and on-going

Desired Result: Continued planning and program development to address

the housing and community development needs of the City and to program federal funds.

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## GOAL 8: ENERGY CONSERVATION

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Ongoing support of existing energy conservation measures and encouragement of additional policies is one means by which the City could help control rising construction costs. Technological advances and effective site design could reduce development costs while providing long-term energy efficient housing. The City should take steps to better integrate solar access planning into the land use planning process in order to meet existing and future energy concerns. The Sacramento Municipal Utility District (SMUD) offers energy conservation programs that promote compliance above the minimum standards within Title 24 of the California Building Code. SMUD and the Pacific Gas and Electric Company (PG&E) offer weatherization programs to all households regardless of income to help reduce the costs of operating housing. These weatherization programs are especially effective in reducing the monthly costs of lower income affordable housing. Another form of energy assistance available to Sacramento households is the tree planting program administered by SHRA in consultation with SMUD and the Sacramento Tree Foundation.

Finally, the City through its land use policies and the proposed policies of this Housing Element, seeks to increase the supply of housing located along transit corridors to reduce vehicle trips (See housing supply policies).

### Policies

- 8.A Wherever possible, develop, incorporate and support energy conserving programs in the production and rehabilitation of housing to improve the environment and reduce household energy costs.

### Programs

- 8.1 Support SMUD's Energy Efficient New Construction Program which provides financial incentives to builders to exceed minimum energy efficiency standards.

Responsible Entity: SMUD

Time frame: 1996 and on-going (existing program)

Desired Result: Implementation of new conservation and alternative energy programs to reduce energy costs of new residential buildings.

- 8.2 Support SMUD and PG&E's program to retrofit existing housing for energy efficiency.

Responsible Entity: SMUD, PG&E and SHRA

Time frame: 1996 and on-going (existing programs)

Desired Result: Reduce household energy costs through a variety of insulation, system update and weatherization program.

- 8.3 Continue to administer the Tree Planting Program to provide shade and to help with

neighborhood revitalization and beautification.

Responsible Entity: SHRA, SMUD and Tree Foundation

Time frame: 1996 and on-going (existing program)

Desired Result: Provide strategically located shade trees to reduce air conditioning costs.



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## GOAL 9: PROMOTE EQUAL HOUSING OPPORTUNITY

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All households in Sacramento, regardless of income, age, disability, race, ethnicity, sex, religion, marital status or sexual preference, should have the right to rent, lease, or purchase housing without discrimination. The City has continued to ensure equal housing opportunity through its enforcement of fair housing practices.

The City should support the enforcement of fair housing laws to ensure that all households in Sacramento have equal access to safe and affordable housing. Fair housing practices should prevent discrimination against households with special needs, such as the poor, the elderly, the ill, disabled, female-headed families, immigrants and non-traditional households. Through the Human Rights/Fair Housing Commission, the City of Sacramento has enforced equal and fair access laws; support for the Commission's enforcement and educational activities should continue.

Through promoting enforcement of existing state and federal laws, the City could help eliminate discrimination against households with special needs. The City should implement State and federal legislation addressing prevention of discrimination against households with children as well as ensure housing accessibility for households with physically challenged members. Furthermore, Equal housing opportunity programs should provide a means for resolution of housing discrimination complaints.

- 9.A Encourage economic integration, fair housing opportunity and the elimination of discrimination against households with special needs.
- 9.B Increase affordable housing opportunities in new developments and implement a fair share distribution of affordable housing units throughout Sacramento communities.
- 9.C The City should work in conjunction with other Sacramento area jurisdictions and agencies to develop a region-wide approach to provide affordable housing for all households.

### Programs

- 9.1 Continue to support enforcement practices of the Human Rights/Fair Housing Commission addressing discrimination against households with special needs, and fair housing education programs offered by other organizations such as the Apartment Owner's Association and the Board of Realtors.

Responsible Entity: Human Rights Fair Housing Commission (lead)

Time frame: 1996 and on-going (existing program)

Desired Result: Provide mediation, education and referrals to the State

Office of Fair Housing or legal aid centers for cases of housing discrimination or other forms of discrimination.

- 9.2 Provide equal housing opportunity for people with disabilities. Existing program and ensure that residential projects comply with the American Disabilities Act. New program: American Disabilities Act compliance.

Responsible Entity: Human Rights Fair Housing Commission, SHRA and Legal Center for the Elderly and Disabled.

Time frame: 1996 and on-going (existing program)

Desired Result: Ensure positive recourse and corrective action to prevent discrimination against persons with disabilities.

- 9.3 Support neighborhood efforts to resolve tenant complaints. New program: McGeorge Law School/Neighborhood Mediation Program.

Responsible Entity: Sacramento Mediation Center

Time frame: 1996 and on-going (existing program)

Desired Result: Continue to provide alternative dispute resolutions methods for landlord tenant and neighborhood conflicts.

- 9.4 Consider adoption and implementation of an inclusionary housing ordinance to promote the development of affordable housing for low and moderate income households throughout the City.

See Housing Supply Inclusionary Housing Program Discussion

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## GOAL 10: MONITOR AND COORDINATE HOUSING PERFORMANCE

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The City recognizes the need to coordinate its many efforts to implement its identified housing strategies. Successful development of affordable housing depends on coordination and active participation of the SHRA, the Department of Planning and Development, other City departments, and various regional agencies which provide technical support or serve in an advisory capacity. Implementation of the Housing Element could be monitored in a variety of ways to ensure that the City meets its objectives.

### Policies

- 10.A: Monitor implementation of Housing Element objectives and measures.
- 10.B: Increase City/County Housing Policy Coordination to ensure that a fair and regional approach to housing policy continues to improve.

### Programs

- 10.1 Prepare an annual monitoring report to the City Council on implementation of the Housing Element goals.

Responsible Entity: SHRA and City Planning Department

Time frame: 1996 and on-going

Desired Result: Coordinate the Consolidated Plan reports to Council and the Board of Supervisors with an annual update on the Housing Element. Coordination with existing State or Federal mandated housing reports prepared by SHRA will minimize the number of documents and reports required, but, still allow for thoughtful consideration of progress and recommendations for future action.









## 11. HOUSING ELEMENT FIVE YEAR IMPLEMENTATION TO MEET QUANTIFIED OBJECTIVES

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### 11.1 QUANTIFIED OBJECTIVES

Quantified housing objectives for the time frame of the element can be categorized by targeted household income groups as shown in Table 11-1 below. As required under State law, the table classifies the dwelling unit objectives by type of housing assistance, such as housing rehabilitation or conservation of existing affordable housing units. This information is based on the City's housing program objectives and the chart on the following pages.

**Table 11-1: 1996 -2000 QUANTIFIED HOUSING UNIT OBJECTIVES  
BY INCOME CLASSIFICATION (BASED ON RECOMMENDED PROGRAMS)**

Income Category	Total	Rehabili- tation	New Construction (Based on Revised RHAP Goals)
<b>Very Low Income (0-50%)</b>	982	480	502
<b>Low Income (51-80%)</b>	619	270	349
<b>Moderate Income (81-120%)</b>	800	0	800
<b>Above Moderate Income (120+%)</b>	749	0	749
<b>Total</b>	3,150	750	2,400

Source: See Table 11-14 for program objectives detail.

New construction objectives are shown below in Table 11-2 for the City of Sacramento. These numbers are projections based on previous housing activity, anticipated funding availability and the housing programs included in Chapter 10. However, the recession may continue to inhibit new housing construction and the City's ability to meet these housing objectives. For a full discussion regarding the new construction goals, and the methodology for revising these goals for the remaining planning period (1996 to 2000) please review Chapter 4.

**TABLE 11-2**  
**REVISED HOUSING GOALS FOR THE 1996 to 2000 PERIOD**

<b>Income Level</b>	<b>Remaining Units Needed</b>	<b>Revised 4 Year Production Goal</b>
Very Low	2,069 units	502 units
Low	640 units	344 units
Moderate	446 units	800 units
Above Mod	2,581 units	749 units
<b>Total</b>	<b>5,736 units</b>	<b>2400 units</b>

In addition to the housing units anticipated for rehabilitation, conservation or construction, the Redevelopment Agency plans to add more emergency shelter and transitional housing beds to serve the City and County's homeless population. By the end of July 1996, 1,944 total beds should be available to serve the growing number of homeless individuals and families in Sacramento (Table 11-4).

Table 11-3 was compiled by the Planning Department and SHRA based on actual or known funding availability, current status of proposed and existing programs, and past achievable performance by program. For each major housing development program area, an assessment of the number of units which may be assisted in the remaining program period (1996-2000) was made. Overall, with existing programs and funding levels a total of 1,449 very low income housing units are projected to be assisted. This exceeds the locally revised RHAP goal for this income group. However, it should be noted that the information in Table 11-3 is based on reasonably contemplated housing assistance funding obligations. While these projects may be funded during the planning period, they may not be constructed and ready for occupancy during the same period.

Additional implementation detail for the City's various affordable housing programs is shown in the following chart. The five year implementation chart identifies the status of the programs (which correspond to the housing policies described in Section 10), the agency responsible for program implementation, time frame, and quantified objectives. Not all listed programs contain quantified objectives; some programs are instrumental in supporting housing production and maintenance but do not result in quantifiable housing units.



**TABLE 11-3: CATEGORIZATION BY INCOME GROUP OF 1996-2000  
HOUSING PROGRAM OBJECTIVES**

<b>HOUSING PROGRAMS</b>	<b>Very Low</b>	<b>Low</b>	<b>Mod</b>	<b>Above Mod</b>	<b>Total</b>
<b>NEW CONSTRUCTION</b>					
Public Housing (New Construction)	24 <sup>1</sup>				24
Public Housing Acquisition/ Rehab	79				79
Residential Hotels	189 <sup>2</sup>				189
Self-Help Housing		43 <sup>3</sup>			46
Infill Housing <sup>4</sup>	40	98	90	30	258
Co-Housing Development		8	14	17	39
Multi-Family (Subsidized)	170 <sup>5</sup>	120			230
Multi-Family (Market)			600		600
Single Family Home ownership (Market) (b)		80	700	900	1680
<b>SUBTOTAL</b>	<b>502</b>	<b>349</b>	<b>1404</b>	<b>947</b>	<b>3,202</b>
<b>REHABILITATION</b>					
Acquisition/ Rehabilitation	300	150			450
Homeowner Rehabilitation	55	60			115
Homeowner Repair and Paint	60	60			120
Residential Hotels	20				20
Mobile Home Rehabilitation	5				5
<b>SUBTOTAL</b>	<b>480</b>	<b>270</b>			<b>750</b>
<b>HOME OWNERSHIP OPPORTUNITIES</b>					
Mortgage Credit Certificates ©	18	137	41		196
Mortgage Revenue Bonds ©		300			300
Down Payment Assistance	100	500			600
<b>SUBTOTAL</b>	<b>118</b>	<b>937</b>	<b>41</b>		<b>1096</b>
<b>RENTAL OPPORTUNITIES</b>					
New Section 8 Vouchers (d)	100				100
<b>SUBTOTALS</b>	<b>100</b>				<b>100</b>

HOUSING PROGRAMS	Very Low	Low	Mod	Above Mod	Total
CONSERVATION/ PRESERVATION					
Fainted Ladies Preservation Program		24	20		44
Weatherization	50	50			100
Opt-Out Preservation (LIHPRHA)	124 <sup>6</sup>				124
Emergency Repair Program	75				75
<b>SUBTOTAL</b>	<b>249</b>	<b>74</b>	<b>20</b>		<b>349</b>
<b>GRAND TOTAL</b>	<b>1449</b>	<b>163</b>	<b>863</b>	<b>749</b>	<b>4691</b>

Source: SHRA and Department of Planning & Development.

Notes for Table 11-3:

1. Rio Lane Development
  2. Pensione Project and Cottages
  3. RCHC - Rio Linda Boulevard -20 Units and Habitat for Humanity -10 Units
  4. Subsidized projects currently being reviewed by SHRA include 10th/I, 13th/F, 26th/I and R Street Projects. Includes single family subsidized home ownership.
  5. Includes Mercy; SLP Village and new development proposal
- (a) Adoption and implementation of an inclusionary housing ordinance pending. Assumes that 15% of projected new units will be subject to the ordinance.
- (b) Moderate and Above Moderate income objectives are dependent on private market activity.
- © New construction and conservation of housing.
- (d) Conservation of housing.

**Table 11-4: PLANNED EMERGENCY AND TRANSITIONAL SHELTER BEDS  
FOR 1996-2000 PERIOD**

Type of Homeless Program	Number of Projected Beds (Total)
Emergency Shelters (beds)	869
Transitional Housing (beds)	1,075
<b>Total Beds</b>	<b>1,944</b>

Source: SHRA.

Note: Projected emergency shelter and transitional housing beds will serve the homeless population of the City and County of Sacramento.

## **11.2 IMPLEMENTATION SUMMARY**

The policies and programs included in Chapter 10 were developed by a multi-agency team to reflect realistic but aggressive program efforts. The team included persons from many disciplines of the Planning Department and the Sacramento Housing and Redevelopment Agency. The programs are designed to meet or exceed the stated goals. For many programs however, a distinction must be made between efforts to fund a project (funding obligation or contract) and actual availability of the unit for occupancy following construction. Program performance is estimated based on historic funding and permitting activities. Actual build-out and occupancy of these units may occur on a slightly different time frame. Table 11-5, summarizes the overall implementation program to achieve the housing goals set forth by the City.





**TABLE 11.5 FOUR YEAR (1996-2000) IMPLEMENTATION PROGRAMS**

PROGRAM		STATUS	RESPONSIBLE AGENCY	FUNDING	TIME FRAME	OBJECTIVES
<b>GOAL 1: HOUSING SUPPLY PROGRAMS</b>						
1.1	Maintain and expand of residentially zoned land through re-use and redevelopment and through the Community Plan and General Plan updates.	Existing	Planning & Development	General Fund	Ongoing	Create additional residential holding capacity of an estimated 20,000 units
1.2	Site study and criteria development to optimize residential development near transit and employment centers.	New	Planning & Development	General Fund	FY 95-96	Increased density of housing to serve approximately 3,500 additional units.
1.3	Complete or initiate reorganization and annexation studies.	Existing	Planning & Development	General Fund	Ongoing	Not applicable
1.4	Maintain existing units and increase the supply of affordable housing through redevelopment, site acquisition and land banking.	Existing	SHRA	Tax Increment, HOME, Trust Fund and Other sources	Ongoing	Not applicable

PROGRAM	STATUS	RESPONSIBLE AGENCY	FUNDING	TIME FRAME	OBJECTIVES
1.5 Revise/complete infrastructure plans for North Natomas and Southern Pacific	Existing	City Finance/City Manager's Office and City Planning	General Fund and Developer Fees	Ongoing	Create additional residential holding capacity of 2,700 new units in the SP Area and 30,000 units in North Natomas Area.
1.6 Strengthen Infill Housing Ordinance	Existing	City Planning	General Fund	1995/1996	Facilitate development of infill sites.
1.8 Standardize environmental mitigation measures for noise sites	Existing	City Environmental	General Fund	1995	New standards now complete to shorten environmental review.
1.9 Develop Artist Live Work Space Ordinance	New	City Planning	General Fund. Possible SHRA funding.	1996/1997	Create "loft" housing options
1.10 Develop Mixed Use zones for redevelopment areas.	New	City Planning and SHRA	General Fund and tax increment	1996/1997	Create clear process for mixed use development thereby increasing residential uses in commercial areas.

PROGRAM		STATUS	RESPONSIBLE AGENCY	FUNDING	TIME FRAME	OBJECTIVES
1.11	Develop Employment Center concept for North Natomas to intermix residential uses	New	City Planning	General Fund	1997/1998	Not applicable.
1.12	Update Mobile Home Park regulations	New	City Planning	General Fund	1997/1998	Not applicable.
1.13	Develop Mobile Home Replacement Housing Programs	New	City Planning/ SHRA	General Fund	As needed.	Not applicable.
1.14	Continue Mobile Park Assistance Program.	Existing	SHRA/ City Planning	State funded.	On-going as needed	Not applicable
1.15	Continue Condominium Conversion Ordinance	Existing	City Planning	General Fund	On-going.	Not applicable

PROGRAM		STATUS	RESPONSIBLE AGENCY	FUNDING	TIME FRAME	OBJECTIVES
<b>GOAL 2: HOUSING AFFORDABILITY PROGRAMS</b>						
2.1	Inclusionary Housing Ordinance development	New	City Planning and SHRA	General Fund	1996/1997	Ensure approximately 10% of new housing is affordable.
2.2	Continue Density Bonus Program	Existing	City Planning & Development,	General Fund (possible housing subsidies from SHRA)	On going	Unknown at this time.
2.3	Continue to allow the Planning Director the discretion to waive or reduce planning processing fees for projects that provide permanent affordable housing to low and moderate income households.	Existing	City Planning & Development	General Fund for program administration	On-going	Enhanced feasibility for low income projects
2.4	Continue to waive water development fees for projects located on designated infill sites or within infill areas.	Existing	City Planning & Development	General Fund for program administration	On-going	Reduce processing costs for affordable housing.



PROGRAM	STATUS	RESPONSIBLE AGENCY	FUNDING	TIME FRAME	OBJECTIVES
2.5 Continue to provide housing information and referral services on affordable housing opportunities.	Existing	SHRA and Community Services Planning Council	CDBG	On-going	Consolidated "one stop" information center for housing information regarding housing availability, programs and services.
2.6 Continue developing, funding and implementing programs that provide services supporting affordable housing.	On-going existing programs. Operation Bootstrap, Child Development Center, Housing Relocation Assistance, counseling and job assistance for the homeless and mentally ill.. (SHRA administers several other housing support programs).	SHRA and non-profit sponsors	SHRA and other funding sources	On-going	Continue efforts to integrate supportive social services into assisted housing projects.

PROGRAM	STATUS	RESPONSIBLE AGENCY	FUNDING	TIME FRAME	OBJECTIVES
2.7 Continue traditional and develop innovative, non-traditional public housing construction programs.	Existing	SHRA and non-profit sponsors	HUD, State and local tax increment and housing trust fund proceeds	On-going	Continue to expand subsidized housing inventory as population and need grows. SHRA estimates that an additional 24 units of public housing funding should be received by HUD in 1996/1997
2.8 Create a policy advisory committee comprised of non-profit and for profit developers to provide input to the City and SHRA on the prioritization of available funding for the production of affordable housing.	New	City Planning, SHRA and non-profit sponsors	General fund/SHRA for program administration	1996/1998	Clear vision and objectives regarding priorities for housing development and allocation of increasingly limited funding.

PROGRAM	STATUS	RESPONSIBLE AGENCY	FUNDING	TIME FRAME	OBJECTIVES
2.9 Promote partnerships between lending institutions, developers, housing interest groups and the community to encourage sufficient availability of financing for affordable housing projects and encourage the Federal Reserve Bank to monitor the performance of local lenders for compliance with the Community Reinvestment Act of 1977 (CRA) which requires their involvement in programs designed to meet Sacramento's community development and investment needs.	Existing	SHRA and non-profit sponsors	SHRA for program administration	On-going	Continue SHRA's efforts to link with the Northern California Lender's Consolidated lending and coordination of CRA funding set-asides.
2.10 Promote non-profit financial and management and project administration capacity building.	New Program	SHRA	SHRA for program administration	1996 and on-going	Increased non-profit capacity and innovation.
2.11 Increase housing affordable to low and moderate income households in existing and future redevelopment target areas through implementation of the Implementation Plans prepared pursuant to Article 16.5 of the Community Redevelopment Law.	Existing	SHRA	Tax Increment Housing Set-aside.	1996 and on-going	Production of 450 to 500 new affordable housing units by year 2000 as called for in the Implementation Plans

PROGRAM		STATUS	RESPONSIBLE AGENCY	TIMEFRAME	FUNDING	OBJECTIVES
<b>GOAL 3: HOUSING MIX, BALANCE AND NEIGHBORHOOD COMPATIBILITY</b>						
3.1	Continue to update and implement the fair share housing plan to guide the location of public assisted housing throughout the City.	Existing	SHRA	1996 and on-going	N/A	Updated City/County Fair Share Plan adopted with a strong community outreach process so that some consensus and public education regarding fair share planning is undertaken.
3.2	The City shall ensure that newly developing areas with unique circumstances are addressed in the Fair Share Plan. Include Census Tract 70.03 in the North Natomas Area as a Fair Share Service area because the area is less than 35% developed, and includes vacant lands which would be appropriate for mixed income development.	Proposed Amendment to Draft Fair Share Plan	SHRA	1996 and on-going	N/A	Include vacant lands in North Natomas as an area subject to Fair Share Plan.
3.3	Include mixed income housing developments in new areas and encourage step-up housing in existing areas which have predominantly low and moderate income housing.	Existing	City Planning	1996 and on-going	General Fund for program administration	Increased housing mix and diversity



PROGRAM		STATUS	RESPONSIBLE AGENCY	TIMEFRAME	FUNDING	OBJECTIVES
<b>4.1 MITIGATE GOVERNMENTAL AND NON-GOVERNMENTAL CONSTRAINTS</b>						
4.1	Identify areas of the City's Zoning Ordinance where standards need to be changed to reflect new housing trends, to provide greater flexibility to foster innovation in design and for older, established areas, to retain the unique characteristics of those areas. The Zoning Administrator function should be expanded to address this need.	1996/97	City Planning	1996 and on-going	General Fund for program administration	Expanded Zoning Administrator functions. Reduction of variances and streamlined project administration
4.2	Continue to implement the early policy review process whereby the Planning Commission and City Council review projects with major policy and land use issues and advise the applicant of policy areas that he or she needs to address prior to the formal application review.	Existing	City Planning	1996 and on going	General Fund for program administration	Identify planning and community issues early in the process so that problems can be efficiently resolved and processing time is shortened.
4.3	Develop a streamlined, but effective process for involving neighborhoods in land use decisions affecting their area. Concepts for implementation include: Notify neighborhood associations early in the review of planning issues through an early notification system	Existing	City Planning Department and Department of Neighborhoods	1996 and on-going	General Fund for program administration	This process is now in place as a result of the recent creation of the Neighborhood Development Department

PROGRAM		STATUS	RESPONSIBLE AGENCY	TIMEFRAME	FUNDING	OBJECTIVES
4.4	Establish an interdepartmental committee to coordinate early review of development projects and address policy concerns. That committee consists of the Planning and Development, Public works, and other City departments involved with the building and planning process.	Existing	City Planning and other regulatory departments	1996 and on-going	General Fund for program administration	Coordinated response to development requests-- one-stop permit shop.
4.5	Amend and implement the City's Subdivision Ordinance Regulations to streamline the map process and reflect current development and infrastructure standards. (See also program 4.10)	1996/1997	City Planning and Public Works Department.	1996/1997 and on-going.	N/A	Provide flexibility in development standards so that new subdivisions are compatible with existing neighborhood conditions. Also provide flexibility in the types of infrastructure improvements necessary.

PROGRAM	STATUS	RESPONSIBLE AGENCY	TIMEFRAME	FUNDING	OBJECTIVES
<p>4.6 Study and implement potential reductions of permit fees to remedy smaller residential project inequities.</p>	<p>New</p>	<p>City Planning and Public Works Departments.</p>	<p>1996 and on-going.</p>	<p>N/A</p>	<p>Review fees associated with smaller projects, particularly infill projects. Reduce any excesses, and where possible provide fee waivers or incentives for projects which meet the goals of the Housing Element.</p>
<p>4.7 Work with SAFCA and other responsible agencies to resolve flood plain restrictions which affect major portions of the City and restrict residential development in the Natomas areas.</p>	<p>Existing</p>	<p>City Manager's Office, Public Works Department, SAFCA and Army Corps of Engineers.</p>	<p>1996 and on-going.</p>	<p>May require assessment district financing</p>	<p>Resolve flood constraints. For North Natomas this equates to an increased residential holding capacity of an additional 30,000 units.</p>

PROGRAM	STATUS	RESPONSIBLE AGENCY	TIMEFRAME	FUNDING	OBJECTIVES
<p>4.8 Study and modify infrastructure standards, including major street construction, local street widths, sizing of streets based on TSM trip reductions, curb, gutter and sidewalk requirements.</p>	<p>Portions in progress-expanded program effort.</p>	<p>City Planning and Public Works Department.</p>	<p>1996/1997 and on-going.</p>	<p>N/A</p>	<p>Provide flexibility in development standards so that new subdivisions are compatible with existing neighborhood conditions. Also provide flexibility in the types of infrastructure improvements necessary.</p>



PROGRAM		STATUS	RESPONSIBLE AGENCY	TIMEFRAME	FUNDING	OBJECTIVES
<b>GOAL 5: HOUSING QUALITY AND NEIGHBORHOOD IMPROVEMENT</b>						
5.1	The City shall continue to provide and improve the Design Review program of the City. In particular, the City shall develop Design Guidelines to help standardize design expectations and shall investigate alternative administrative processes for small project design review. Currently the City is developing Design Guidelines for the Central City to help simplify and clarify design standards.	Existing effort to be modified and expanded.	City Planning Department.	1995/1996 and on-going.	N/A	Develop clear and easily understood design guidelines and develop streamlined methods to implement the guidelines.
5.2	Continue to implement and strengthen the City's Infill and Deep Lot Development Ordinances that encourage compatible residential infill development. Create additional incentives for residential infill development to streamline the permit approval process by reducing permit costs and time, and institute flexibility to encourage development that is appropriate for the neighborhood. Modify the City's existing infill program to accomplish the following objectives:	Existing effort	City Planning Department.	1995/1996 and on-going.	N/A	Update and refined infill housing policies that streamline the development process and resolve neighborhood concerns regarding infill housing.

PROGRAM	STATUS	RESPONSIBLE AGENCY	TIMEFRAME	FUNDING	OBJECTIVES
<p>5.3      Revise and expand the City's Multifamily Development Guidelines to be more holistic. The guidelines should serve as a handbook for developers and managers on successful implementation of multi-family communities.</p>	<p>New</p>	<p>City Planning Department.</p>	<p>1996/1997 and on-going.</p>	<p>Add to City Planning General funded work program</p>	<p>Establish clear guidelines and a "user friendly" handbook regarding multi-family housing. The handbook should include clear siting and design criteria, and good, cost effective management strategies.</p>
<p>5.4      Continue to implement the Problem-Oriented Policing (POP) Program, a multi-departmental effort to improve city neighborhoods and abate various code violations.</p>	<p>Existing Program</p>	<p>City Police Department and Neighborhood Services Department.</p>	<p>1996 and ongoing</p>	<p>Continue existing funding (SHRA, General fund)</p>	<p>Early and efficient resolution of problem property cases such as drug houses and health and safety violations.</p>

PROGRAM	STATUS	RESPONSIBLE AGENCY	TIMEFRAME	FUNDING	OBJECTIVES
5.5 Continue to implement the Neighborhood Reclamation and Protection Plan (NRPP), a multi-departmental program designed to control and rid targeted neighborhoods of gangs and drugs.	Existing Program	SHRA and Neighborhood Services Department	1996 and on going	SHRA and grants	Strengthen existing troubled neighborhoods through weeding out of problems and development of positive neighborhood capacities and assets.
5.6 Reorganize the Planning Division into geographic teams to improve planning decisions within the City's diverse neighborhoods.	Existing	City Planning Department.	1995 (completed)	N/A	Develop geographic teams to be more knowledgeable and accessible to neighborhood residents. Promote better consensus and dialog regarding neighborhood development.



PROGRAM	STATUS	RESPONSIBLE AGENCY	TIMEFRAME	FUNDING	OBJECTIVES
5.7 Implement neighborhood revitalization and preservation recommendations for the Central City.	On-going	City Planning Department.	1995/1996 and on-going.	N/A	Implementation of the Central City Housing Strategy (rezoning to preserve housing sites) currently underway. Central City design guidelines in progress.
5.8 Support programs enabling low and moderate income households to become home owners and thereby help conserve affordable housing. The Mortgage Credit Certificate Program targets ownership of existing housing within certain neighborhoods. Existing programs: Mortgage Credit Certificates (MCCs), Community Home Buyers Program, Self-Help Housing Program, Mutual Housing and co-housing.	Existing	SHRA, City Planning Department and housing sponsors.	1995/1996 and on-going.	SHRA and tax exempt issue capability	Increased ownership opportunities and choices for all residents of the City. More stable neighborhoods.



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